

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

ARTICLE 1. PUBLIC SCHOOL FINANCE

No equivalent provision.

No equivalent provision.

SENATE VERSION

ARTICLE 1. PUBLIC SCHOOL FINANCE

No equivalent provision.

No equivalent provision.

CONFERENCE

ARTICLE 1. PUBLIC SCHOOL FINANCE

PART A. EDUCATION FUNDING FOR THE 2005-2006  
SCHOOL YEAR

SECTION 1A.01. Adds Sections 42.2518, 42.2519, and 42.2520, Education Code, to read as follows;  
Sec. 42.2518. Additional State Aid Or Credit For Districts That Reduce Property Tax Rates. (a) A school district that adopts a tax for the maintenance and operations of the district for the 2005 tax year that does not exceed the lesser of the district's rollback tax rate under Section 26.08, Tax Code, or the rate that is 25 cents less than the rate adopted by the district for maintenance and operations for the 2004 tax year, is entitled to receive for the 2005-2006 school year additional state aid in the sum of: (1) the amount equal to the product of \$2,000 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; and (2) the amount necessary, as determined by the commissioner, to ensure that the district's total amount of state and local revenue per student in average daily attendance, other than the amount to which the district is entitled under Subdivision (1), is not less than the total amount of state and local revenue per student in average daily attendance the district received during the 2004-2005 school year.  
(b) A school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

wealth level that adopts a tax rate that complies with the limitation described by Subsection (a) is entitled to an adjustment against the total amount of attendance credits required to be purchased under Subchapter D, Chapter 41, or the total number of non-resident students required to be educated under Subchapter E, Chapter 41, as determined by the commissioner, in the amount equal to the sum of the amounts described by Subsections (a)(1) and (a)(2).

(c) This subsection applies to a district with a wealth per student, as defined by Section 41.001, greater than the product of the dollar amount guaranteed level of state and local funds per weighed student per cent of tax effort, as provided by Section 42.302, multiplied by 10,000, but less than the equalized wealth level under Section 41.002. A district to which this subsection applies that adopts a tax rate that complies with the limitation described by Subsection (a) is entitled to state aid in the amount equal to the sum of the amounts described by Subsections (a)(1) and (a)(2).

(d) A determination by the commissioner under this section is final and may not be appealed.

(e) This section expires September 1, 2006.

Sec. 42.2519. Adjustment For Districts That Fail To Reduce Property Tax Rates. (a) Notwithstanding Section 42.253 or any other provision of this chapter, the commissioner shall reduce the amount to which a district is entitled under this chapter or Chapter 41 by 15 percent if the district adopts and assesses a tax for the maintenance and operations of the district for the 2005 tax year that exceeds the limitation described by Section 42.2518(a).

(b) A determination by the commissioner under this

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

No equivalent provision.

section is final and may not be appealed.  
(c) This section expires September 1, 2006.  
Sec. 42.2520. Professional Staff Compensation. (a) For the 2005-2006 school year, a school district shall provide classroom teachers, full-time librarians, full-time classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses with, in addition to the amounts required under Section 21.402, compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the district that results in an average compensation increase for the employees of \$500.  
(b) A school district that paid employees an additional amount during each of the 2003-2004 and 2004-2005 school years to compensate for reductions made in the health coverage or compensation supplementation provided by former Article 3.50-8, Insurance Code, may apply to the commissioner for authority to provide a lesser average compensation increase than the amount otherwise required by Subsection (a), to the extent equitable considering the additional amount provided by the district during the 2003-2004 and 2004-2005 school years.  
(c) A determination by the commissioner under this section is final and may not be appealed.  
(d) The commissioner may adopt rules to implement this section.  
(e) This section expires September 1, 2006.

SECTION 1A.02. This Part takes effect November 1, 2005.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
PART A. EDUCATION FUNDING	PART A. EDUCATION FUNDING AND SCHOOL PROPERTY TAX RELIEF and PART B. EDUCATION FUNDING AND EQUALIZATION	
SECTION 8.02(1)(C) repeals Section 41.002, Education Code.	SECTION 1A.01. Amends Sections 41.002(a) and (e), Education Code, relating to the equalized wealth level, to raise the cap on a district's per-pupil property wealth from \$305,000 to \$339,000 and makes a conforming change.	Language from TEA on transition.
SECTION 8.02(1)(A) repeals Subchapter F, Chapter 41, Education Code, which includes this section.	SECTION 1A.02. Amends Section 41.157(d), Education Code, relating to a district's maintenance tax, to make a conforming change regarding the cap on the rate of that tax.	
SECTION 1A.01. Adds Chapter 42, Education Code, as follows:	No equivalent provision.	PART B. EDUCATION FUNDING REFORM SECTION 1B.01. Same as House version.
CHAPTER 42. FOUNDATION SCHOOL PROGRAM SUBCHAPTER A. GENERAL PROVISIONS	No equivalent provision.	Same as House version.
Sec. 42.001. State Policy. Substantially the same as current law except standard of neutrality in Subsection (b) includes consideration of all state and local revenues of districts, rather than all state and local <i>tax</i> revenues.	No equivalent provision.	Sec. 42.001. Same as House version.
Sec. 42.002. Purposes of Foundation School Program. (a) Substantially the same as current law except refers to the provision of <i>an accredited</i> rather than <i>a basic</i> instructional program and access to substantially equalized <i>financing for</i>	No equivalent provision.	Sec. 42.002. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

*an enriched program rather than to a substantially equalized program of financing in excess of basic costs for certain services, as provided by this chapter.*

- (b) Provides that the Foundation School Program consists of:
- (1) *two tiers that in combination provide for:*
- (A) sufficient financing for all school districts to provide *an accredited* program of education that is rated academically acceptable or higher under Section 39.072 and meets other applicable legal standards; and
- (B) substantially equal access to funds to provide an enriched program; and
- (2) a facilities component as provided by Chapter 46.

Sec. 42.003. Student Eligibility. Substantially the same as current law.

Sec. 42.004. Administration of Program. Substantially the same as current law, except transfers rulemaking authority from the State Board of Education (SBOE) to the commissioner of education.

Sec. 42.005. Average Daily Attendance.

(a) Substantially the same as current law, except provides that for a district that operates under a flexible school day

SECTION 1B.01. Amends Section 42.002(b), Education Code, as follows:

(b) The Foundation School Program consists of:

(1) a basic program, as provided by this chapter, that provides for ~~two tiers that in combination provide for:~~ [(A)] sufficient financing for all school districts to provide a basic program of education that is rated academically acceptable or higher under Section 39.072 and meets other applicable legal standards; ~~and~~

(2) an enrichment program, as provided by Subchapter F, that includes a guaranteed yield component to provide ~~[(B)]~~ substantially equal access to funds to provide an enriched program; and

(3) ~~[(2)]~~ a facilities component as provided by Chapter 46.

No equivalent provision.

No equivalent provision.

SECTION 1A.03. Amends Section 42.005(a), Education Code, to provide that, for a district that operates under a flexible school day program under Section 29.0822,

(b) Same as House version.

Sec. 42.003. Same as House version.

Sec. 42.004. Same as House version.

Sec. 42.005. (a) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

program under Section 29.0822, average daily attendance is *the average daily attendance as calculated by the commissioner in accordance with Section 29.0822(d).*

average daily attendance is *the quotient of the sum of attendance for each full-time equivalent day of instruction divided by the minimum number of days of instruction as described under Section 25.081(a).*

(b) Substantially the same as current law, except applies to funding for a school district that experiences a decline of *more than two percent* in average daily attendance rather than *two percent or more*, and, if the decline is not the result of the closing or reduction in personnel of a military base, provides that the district shall be funded on the basis of an ADA *equal to 98 percent* of the of the preceding school year's ADA, rather than an ADA *not to exceed 98 percent* of the previous year's ADA

No equivalent provision.

(b) Same as House version.

(c) Same as current law.

No equivalent provision.

(c) Same as House version.

(d) Same as current law.

No equivalent provision.

(d) Same as House version.

(e) A public charter district is not entitled to funding based on an adjustment under Subsection (b)

SECTION 4.56 Amends Section 42.005(f), Education Code, as follows: (f) A public charter district [~~An open-enrollment charter school~~] is not entitled to funding based on an adjustment under Subsection (b)(2).

(e) Same as House version.

(f) If a student may receive course credit toward the student's high school academic requirements and toward the student's higher education academic requirements for a single course, the time during which the student attends the course *shall* be counted as part of the minimum number of instructional hours required for a student to be considered a

No equivalent provision. (NOTE: Current law stipulates that the time during which the student attends the course *may not* be counted as part of the minimum number of instructional hours required for a student to be considered a full-time student in average daily attendance for purposes of this section.)

(f) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

full-time student in average daily attendance for purposes of this section.

Sec. 42.006. Equalized Funding Elements. (a) Same as 42.007(a) in current law, except provides for calculation of *equalized* funding elements rather than *qualified* funding elements.

(b) Substantially the same as current law.

(c) Provides that the funding elements must include:

(1) *an accreditation* allotment *amount* for the purposes of Section 42.101 that represents the cost per student of a regular education program that meets all mandates of law and regulation;

(2) adjustments designed to reflect the variation in known resource costs and costs of education beyond the control of school districts;

(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter C, with the program funding level expressed as *total* dollar amounts *for each program and the specific dollar amount to be provided for each eligible student or course* for the appropriate year;

(4) the maximum tax rate to be used in determining a school district's local share under Section 42.306(a);

(5) the maximum district enrichment tax rate for purposes of Section 42.252; and

(6) the amount to be appropriated for the school facilities assistance program under Chapter 46.

No equivalent provision.

No equivalent provision.

SECTION 1B.02. Amends Section 42.007(c), Education Code, and adds (c) as follows:

(c) Provides that the funding elements must include:

(1) *an accreditation* [~~a basic~~] allotment for the purposes of Section 42.101 that [~~when combined with the guaranteed yield component provided by Subchapter F,~~] represents the cost per student of a regular education program that meets all mandates of law and regulation;

(2) adjustments designed to reflect the variation in known resource costs and costs of education beyond the control of school districts;

(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter C, with the program funding level expressed as dollar amounts *and as weights applied to the adjusted accreditation* [~~basic~~] *allotment* for the appropriate year;

(4) the maximum guaranteed level of qualified state and local funds per student for the purposes of the enrichment program under Subchapter F;

(5) the enrichment [~~and facilities~~] tax rate under

Sec. 42.006. Same as House version.

(b) Same as House version.

(c) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Subchapter F;  
(6) the computation of students in weighted average daily attendance under Section 42.302; and  
(7) the amount to be appropriated for the school facilities assistance program under Chapter 46.

(d) Requires the board to study the funding elements each biennium including a determination of the projected cost to the state in the next state fiscal biennium of ensuring the ability of each district to comply with all legal mandates and regulations without increasing *district* tax rates.

No equivalent provision.

(d) Same as House version.

(e) Requires the board to contract for a comprehensive study of the funding elements and to report results to the commissioner and the legislature not later than December 1, 2008. This subsection expires January 1, 2009.

(e) Same as House version, except report is due not later than December 1, 2006, and the subsection expires January 1, 2007.

(e) Same as House version, except also requires the scope of the study to include an investigation of uncontrollable variations in the costs of education due to diseconomies of scale or geographic variations in the costs of hiring highly qualified teachers, and it requires the study, to the extent practicable, to examine uncontrollable variations in the costs of providing the recommended high school program in small, mid-sized, and urban school districts.

(f) The study required by Subsection (e) must include a component on funding elements relating to special education programs and services. The special education component must include a review of the current funding elements relating to special education programs and services, an analysis of funding mechanisms used by other states, the solicitation and consideration of recommendations from persons with expertise in the area of special education, a review of best practices in the area

No equivalent provision.

(f) Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

of special education, and the development of recommendations for a funding system that supports success for students with disabilities and that appropriately recognizes the variance in needs for specialized services, including related services, without providing fiscal incentives to improperly identify or fail to identify students who need special education services. Regardless of the date on which the report under Subsection (e) is required to be submitted, the board shall submit a report on the results of the special education component required by this subsection to the commissioner and the legislature not later than December 1, 2006. This subsection expires January 1, 2007

Sec. 42.007. Reference to Foundation School Fund. Provides that a reference in law to the foundation school fund means the Texas education fund.

Sec. 42.008. Report on Education Spending. Requires the Legislative Budget Board (LBB), before each regular legislative session, to submit to the commissioner and the legislature a report describing the amount of all public spending on primary and secondary education in this state, disaggregated by federal, state, local, and private entity spending, with an analysis of the state's portion of spending.

SUBCHAPTER B. BASIC PROGRAM

No equivalent provision.

SECTION 1A.04. Same as House version.

SECTION 1B.03. Amends the heading to Subchapter B, Chapter 42, Education Code, to read: Subchapter B. Basic Program [Entitlement].

Sec. 42.007. Same as House version.

Sec. 42.008. Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 42.101. Accreditation Allotment *and Special Student Allotments*. (a) For each student in average daily attendance, a school district is entitled to an accreditation allotment of \$4,600.

(b) An accreditation allotment in a greater amount for any school year may be provided by appropriation.

(c) In addition to the accreditation allotment, a school district is entitled to special student allotments in the manner specified under Subchapter C.

SUBCHAPTER C. SPECIAL STUDENT ALLOTMENTS

Sec. 42.151. Special Education Allotments. (a) Defines "full-time equivalent student" and "special education program."

(b) For each student in average daily attendance in a special education program in a mainstream instructional arrangement, a school district is entitled to an annual allotment of \$4,822.

SECTION 1B.04. Amends Section 42.101, Education Code, as follows:

Sec. 42.101. Accreditation [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, for which an additional allotment is made under Subchapter C*, a district is entitled to an accreditation allotment of \$4,300 [~~\$2,537~~].

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

No equivalent provision.

SECTION 1B.08. Amends Sections 42.151(a), (b), (e), (g), and (k), Education Code, as follows:

No equivalent provision. (Subsection (f) in current law provides substantially the same definition of "full-time equivalent student.")

(a) For each student in average daily attendance in a special education program *under Subchapter A, Chapter 29*, in a mainstream instructional arrangement, a school district is entitled to an annual allotment *equal to the adjusted accreditation [basic] allotment multiplied by 1.1*.

Sec. 42.101. (a) Same as House version.

(b) Same as House version.

(c) Same as House version.

Same as House version.

Sec. 42.151. (a) Same as House version.

(b) Same as House version.

**House Bill 2**  
 Conference Committee Report  
 Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c) For each full-time equivalent student in average daily attendance in a special education program in an instructional arrangement other than a mainstream instructional arrangement, a school district is entitled to an annual allotment *in the following amount, based on the student's instructional arrangement*:

- (1) \$17,370, for a student in a homebound instructional arrangement;
- (2) \$8,602, for a student in a hospital class instructional arrangement;
- (3) \$17,370, for a student in a speech therapy instructional arrangement;
- (4) \$8,602, for a student in a resource room instructional arrangement;
- (5) \$8,602, for a student in a self-contained, mild and moderate, regular campus instructional arrangement;
- (6) \$8,602, for a student in a self-contained, severe, regular campus instructional arrangement;
- (7) \$7,287, for a student in an off-home-campus instructional arrangement;
- (8) \$2,903, for a student in a nonpublic day school;
- (9) \$5,533, for a student in a vocational adjustment class;

(10) \$12,986, for a student who resides in a residential care and treatment facility, other than a state school, whose parent or guardian does not reside in the district, and who receives educational services from a local school district; and

(11) \$7,726, for a student who resides in a state school.

For each full-time equivalent student in average daily attendance in a special education program *under Subchapter A, Chapter 29*, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment *equal to the adjusted accreditation [basic] allotment multiplied by a weight determined according to instructional arrangement as follows*:

Homebound	5.0
Hospital class	3.0
Speech therapy	5.0
Resource room	3.0
Self-contained, mild and moderate, regular campus	3.0
Self-contained, severe, regular campus	3.0
Off home campus	2.7
Nonpublic day school	1.7
Vocational adjustment class	2.3

(b) A special instructional arrangement for students with disabilities residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services shall be established under the rules of the commissioner [~~State Board of Education~~]. The funding weight for this arrangement shall be 4.0 for those students who receive their education service on a local school district campus. A

(c) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

special instructional arrangement for students with disabilities residing in state schools shall be established under the rules of the commissioner [~~State Board of Education~~] with a funding weight of 2.8.

(d) Substantially the same as Subsection (c) in current law.

No equivalent provision.

(d) Same as House version.

(e) Substantially the same as Subsection (d) in current law.

No equivalent provision.

(e) Same as House version.

(f) Substantially the same as (c) in current law relating to requiring the SBOE by rule to prescribe the qualifications a special education instructional arrangement must meet to be funded as a particular instructional arrangement under this chapter, except transfers this function to the commissioner of education.

(e) Same as House version.

(f) Same as House version.

(g) Substantially the same as current law relating to requiring the board to adopt rules and procedures governing contracts for residential placement of special education students, except transfers this rulemaking authority to the commissioner.

(g) Same as House version.

(g) Same as House version.

(h) - (j) Substantially the same as current law, except in (h) makes a conforming change in reference to a commissioner rule rather than a board rule.

No equivalent provision.

(h) - (j) Same as House version.

(k) Provides that a school district that provides an extended year program required by federal law for special

(k) Provides that a school district that provides an extended year program required by federal law for special education

(k) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

education students who may regress is entitled to receive, for each full-time equivalent student in average daily attendance, funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the sum of the accreditation allotment and the additional allotment for the student's instructional arrangement under this section for each day the program is provided divided by the number of days in the minimum school year. The total amount of state funding for extended year services under this subsection may not exceed \$10 million per year. A school district may use funds received under this subsection only in providing an extended year program.

students who may regress is entitled to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the *adjusted accreditation [basic] allotment [or adjusted allotment, as applicable.]* for each full-time equivalent student in average daily attendance, multiplied by the amount designated for the student's instructional arrangement under this section, for each day the program is provided divided by the number of days in the minimum school year. The total amount of state funding for extended year services under this section may not exceed \$10 million per year. A school district may use funds received under this section only in providing an extended year program.

(l) Substantially the same as current law.

No equivalent provision.

(l) Same as House version.

(m) From the total amount appropriated for purposes of this section, requires the commissioner to set aside an amount necessary to pay the cost of the study of the funding elements for special education required by Section 42.006(f), and, after setting aside those funds, to reduce each district's allotment in the manner provided by Section 42.313(f). This subsection expires September 1, 2007.

No equivalent provision.

(m) Same as House version.

Sec. 42.152. Accelerated Programs Allotment. (a) A school district is entitled to an annual allotment for the costs of providing accelerated programs in an amount determined by the formula:

$$\text{APA} = \text{F} \times \text{ADA} \times \text{PR}$$

where:

SECTION 1B.09. Amends Sections 42.152(a), (e), (h), and (k), Education Code, as follows:

(a) For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district

Same as House version, except in Subsection (c) allows the commissioner, each fiscal year, to withhold an amount determined by the commissioner as appropriate to finance the agency's administrative expenses in conducting activities under Section 39.1321. (f) allows a district to use funds allocated under this section to provide Saturday

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

"APA" is the amount of the district's allotment;  
"ADA" is the district's total number of students in average daily attendance; and  
"F" is the funding factor, which is 877, but not less than the amount equal to 19 percent of the accreditation allotment under Section 42.101; and  
"PR" is the percentage of the district's total number of students enrolled in prekindergarten through grade level eight who participate in the national free or reduced-price lunch program as reported through the Public Education Information Management System (PEIMS) for the current school year or the percentage determined in accordance with commissioner rule if the district is not required to report participation in the national free or reduced-price lunch program or if no campus in the district with students enrolled in prekindergarten through grade level eight participates in the national free or reduced-price lunch program.

(b) The legislature may provide by appropriation for a greater allotment than the amount prescribed by Subsection (a).

(c) From the total amount of funds appropriated for allotments under this section, the commissioner may, each fiscal year: (1) withhold an amount determined by the commissioner as appropriate to finance activities under Section 39.024(d); and (2) withhold an amount not exceeding \$1 million each fiscal year and distribute the funds to school districts that incur unanticipated expenditures resulting from a significant increase in the enrollment of students who do not have disabilities and who reside in residential placement facilities.

is entitled to an annual allotment equal to the adjusted accreditation ~~[basic]~~ allotment multiplied by 0.2, and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant.

(c) The commissioner may:

(1) retain a portion of the total amount allotted under Subsection (a) that the commissioner considers appropriate to finance ~~[intensive accelerated instruction programs and]~~ study guides provided under Section 39.024(c) ~~[Sections 39.024(b) and (c)]~~; and

(2) reduce each district's basic program ~~[tier one]~~ allotments in the same manner described for a reduction in allotments under Section 42.253.

(h) After deducting the amount withheld under Subsection (f) from the total amount appropriated for the allotment under Subsection (a), the commissioner shall reduce each district's basic program ~~[tier one]~~ allotments in the same manner described for a reduction in allotments under Section 42.253 and shall allocate funds to each district accordingly.

(k) After deducting the amount withheld under Subsection (i) from the total amount appropriated for the allotment under Subsection (a), the commissioner shall reduce each district's basic program ~~[tier one]~~ allotments in the same manner described for a reduction in allotments under Section 42.253.

classes for students in grade levels one through four who fail to perform satisfactorily on an assessment instrument administered under Section 39.023 *or otherwise fail to perform satisfactorily, as determined by the district.*

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(d) From the total amount of funds appropriated for allotments under this section, the commissioner shall, each fiscal year: (1) withhold an amount determined by the commissioner as appropriate to finance activities under Section 39.024(c); (2) withhold an amount to be determined by the commissioner, but not less than \$10 million, and distribute that amount for programs under Section 29.085, giving preference to a school district that received funds for a program under that section for the preceding school year; (3) withhold the amount of \$7.5 million, or a greater amount as determined in the General Appropriations Act, and distribute that amount for programs under Subchapter A, Chapter 33, giving preference to a school district that received funds for a program under that subchapter for the preceding school year; (4) withhold the amount of \$2.5 million for transfer to the investment capital fund under Section 7.024; and (5) withhold an amount sufficient to finance extended year programs under Section 29.082, not to exceed five percent of the amounts allocated under this section, giving preference to extended year programs in districts with high concentrations of educationally disadvantaged students.

(e) After deducting the amounts withheld under Subsections (c) and (d) from the total amount appropriated for the allotments under this section, the commissioner shall reduce each district's allocation proportionately.

(f) Notwithstanding any other provision of law, a district may use funds allocated under this section to provide Saturday classes for students in grade levels one through four who fail to perform satisfactorily on an assessment instrument administered under Section 39.023. A district

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

may contract with another entity to provide Saturday classes under this subsection.

Sec. 42.153. Transitional Program Allotment. (a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment of: (1) if the student is enrolled below the ninth grade level, \$500, but not less than the amount equal to 10 percent of the accreditation allotment under Section 42.101; or (2) if the student is enrolled at or above the ninth grade level, \$1,000, but not less than the amount equal to 21 percent of the accreditation allotment under Section 42.101.

No equivalent provision.

(b) Authorizes the legislature to appropriate a greater allotment than the amounts prescribed by Subsection (a).

SECTION 1B.10. Amends Section 42.153(a), Education Code, and adds (a-1) and (d) as follows:

(a) *Except as provided by Subsection (a-1), for [For] each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the adjusted accreditation [base] allotment multiplied by 0.1.*

(a-1) Provides that, for each student in ADA in a bilingual or special language program who has been in the program for less than three years, a district is entitled to an annual allotment equal to the adjusted accreditation allotment multiplied by a weight according to the grade level to which the student is assigned, as follows:

Prekindergarten-Grade 2	0.12
Grades 2-5	0.18
Grades 6-8	0.24
Grades 9-12	0.3

Requires the commissioner, by rule, to determine a method for determining whether a student has been enrolled in a program for less than three years.

No equivalent provision.

Sec. 42.153. (a) Same as House version.

Same as House version.

(b) Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

Sec. 42.154. Career And Technology Education Allotment.

(a) For each student in average daily attendance in an approved career and technology education program in grades *seven through 12*, a district is entitled to an annual allotment of *\$178 for each annual credit hour the student is enrolled in the program, or a greater amount for any school year provided by appropriation*. This subsection expires August 31, 2007.

(b) Beginning September 1, 2007, a district is entitled to an annual allotment of \$178, or a greater amount for any school year provided by appropriation, for each annual credit hour a student in grades seven through 12 completes in the following career and technology courses: (1) advanced technical credit courses as approved by a statewide advisory leadership committee for statewide articulation; (2) courses that lead to professional certification, licensure, or a degree program; or (3) courses designed for special education students.

No equivalent provision.

79S11153 JLZ

SENATE VERSION

(d) Disallows this allotment for a student who meets the criteria for transferring out of the district's bilingual education or special language program but continues participating in the program.

SECTION 1B.11. Amends Sections 42.154(a) and (e), Education Code, as follows:

(a) For each *full-time equivalent* student in average daily attendance in an approved career and technology education program in grades *nine through 12 or in career and technology education programs for students with disabilities in grades seven through 12*, a district is entitled to an annual allotment *equal to the adjusted accreditation [~~basic~~] allotment multiplied by a weight of 1.35*.

No equivalent provision.

No equivalent provision.

17

CONFERENCE

(c) Same as Senate version.

Sec. 42.154. (a) Same as House version, except a district is entitled to this allotment for each student in ADA in an approved career and technology education program in grades *eight through 12*.

Same as Senate version.

(b) Requires the commissioner to establish a pilot program under which participating districts receive the allotment for students in grade seven and to establish the pilot program in each county the borders the Intracoastal Waterway and

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

No equivalent provision.

meets certain other population and geographic criteria.

(c) Requires the commissioner to establish a committee to study the effectiveness of career and technology education programs and the manner in which the programs have affected graduation rates. Requires the committee to submit a report to the legislature not later than January 1, 2012.

No equivalent provision.

No equivalent provision.

(d) Provides that Subsection (b), (c), and (d) expire September 1, 2012.

No equivalent provision.

(e) Makes a conforming change to refer to a district's *basic program* allotment rather than its *tier one* allotment.

Same as House version.

Sec. 42.155. Public Education Grant Allotment. Substantially the same as Section 42.157 in current law except that in Subsection (a) the per-pupil allotment to which a receiving district is entitled is an annual allotment of \$250 or a greater amount for any school year provided by appropriation.

SECTION 1B.14. Amends Section 42.157(a), Education Code. Same as House version except that the allotment is an annual allotment *equal to the adjusted accreditation [~~basic~~] allotment multiplied by a weight of 0.1.*

Sec. 42.155. Same as House version.

Sec. 42.156. Gifted and Talented Allotment. (a) For each identified student a school district serves in a program for gifted and talented students that the district certifies to the commissioner as complying with Subchapter D, Chapter 29, a district is entitled to an annual allotment of \$526, or a greater amount for any school year provided by appropriation.

SECTION 1B.13. Amends Sections 42.156(a) and (d), Education Code, relating to the gifted and talented student allotment, to make conforming changes in references to the *accreditation* allotment and the *basic program* allotment rather than to the *basic* allotment and the *tier one* allotment.

Sec. 42.156. Same as House version.

(b) Same as (c) in current law.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c) Substantially the same as (f) in current law, except allows the commissioner, rather than the SBOE, to use certain funds for programs such as MATHCOUNTS, Future Problem Solving, Odyssey of the Mind, and Academic Decathlon.

Sec. 42.171. Restrictions on Use of Allotments. Provides that, unless provided otherwise, but subject to Section 42.172, a district is not required to use amounts allotted under this subchapter for the program for which the amounts were allotted and that any restriction specifically imposed under this subchapter on the use of those amounts applies equally to the amount by which the allotment is adjusted under Section 42.301 or 42.302.

Sec. 42.172. Maintenance of Effort. Prohibits a school district from spending in any school year for certain programs or services an amount per student in ADA that is less than the amount it spent for that program or service per student in ADA during the 2004-2005 school year. Those programs include (1) special education programs; (2) supplemental programs and services designed to eliminate any disparity in performance on a statewide standardized test or in high school completion rates between certain at-risk students and all other students; (3) bilingual or special language programs; (4) career and technology education programs in grades nine through 12 or for students with disabilities in grades seven through 12; or (5) gifted and talented programs. Allows the commissioner to authorize a district to spend less than the required amount on the

No equivalent provision.

No equivalent provision.

Sec. 42.171. Same as House version.

Sec. 42.172. Same as House version, except prohibits a school district from spending an amount per student in ADA that is less than the amount it spent for that program or service per student in ADA during the 2005-2006 school year and adds to the list of programs remedial and support programs under Section 29.081 for students who are pregnant and programs for students who do not have a disability and reside in residential placement facilities in districts in which the student's parent or legal guardian do not reside.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

commissioner's finding that the requirement imposes an undue hardship given the district's unique circumstances.

SUBCHAPTER D. TRANSPORTATION ALLOTMENT

Sec. 42.201. Transportation. (a) Each *school* district or county operating a regular transportation system is entitled to an allotment of *\$1.50 per mile for each approved route mile traveled by the system.*

No equivalent provision.

SECTION 1B.12. Amends Section 42.155(c), Education Code, and adds (c-1) as follows:

(c) Each district or county operating a regular transportation system is entitled to an allotment *based on the daily cost per regular eligible student of operating and maintaining the regular transportation system and the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district or county. The average actual cost is to be computed by the commissioner and included for consideration by the legislature in the General Appropriations Act.*

(c-1) The allotment per mile of approved route under Subsection (c) is computed as follows:

<u>Linear Density Grouping</u>	<u>Allocation Per Mile of Approved Route</u>
2.40 and above . . . . .	\$ 1.42
1.65 to 2.40 . . . . .	1.28
1.15 to 1.65 . . . . .	1.11
.90 to 1.15 . . . . .	.97
.65 to .90 . . . . .	.88

The allocation per mile of approved route for the bottom linear density groupings of up to .40 through .65 shall be moved into the next linear density group of up to .90 [may not exceed the amount set by appropriation].

Sec. 42.201. (a) Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

No equivalent provision.

(b) Requires the commissioner, in adopting rules for the administration of the transportation allotment, to provide that within two miles of a school only mileage that represents the most direct route to the school shall be eligible for reimbursement.

(b) Allows a school district or county, if it receives a transportation allotment that exceeds its cost of operating the transportation system, to use the excess funds for any legal purpose.

No equivalent provision.

(c) Same as House version.

(c) Subject to Subsection (d), the commissioner shall reduce each district's or county's allotment under this section proportionately to the extent necessary to permit the commissioner to fund: (1) amounts provided to school districts in accordance with Section 42.301(d); (2) the amount by which the adjustments provided to school districts under Section 42.302(b) exceeds the amount of adjustments that would be provided under that section using a factor of .0004; (3) the amount by which the adjustments provided to school districts under Section 42.302(c) exceeds the amount of adjustments that would be provided under that section using a factor of .00025; (4) the amount by which the adjustments provided to school districts under Section 42.302(d) exceeds the amount of adjustments that would be provided under that section using a factor of .000025; and (5) amounts provided to school districts in accordance with Section 42.302(e).

No equivalent provision.

Same as Senate version.

(d) In prorating allotments under Subsection (c), the

No equivalent provision.

Same as Senate version.

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**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

commissioner shall ensure that each district or county receives an allotment that reflects at least the reimbursement rate provided to the district or county during the 2004-2005 school year.

No equivalent provision.

No equivalent provision.

Sec. 42.202. Hazardous Conditions. Allows a district or county to apply for and on approval of the commissioner receive an additional amount of up to 10 percent of its regular transportation allotment for the transportation of children living within two miles of the school they attend who would be subject to hazardous traffic conditions if they walked to school. Requires each board of trustees to provide to the commissioner the definition of hazardous conditions applicable to that district and to identify the specific hazardous areas for which the allocation is requested. Lists situations that constitute hazardous conditions.

No equivalent provision.

No equivalent provision.

Sec. 42.203. Private or Commercial Transportation. Allows the commissioner to grant an amount set by appropriation for private or commercial transportation for students from isolated areas. Requires need for this type of transportation grant to be determined on an individual basis and prohibits a grant amount from exceeding actual costs. The grants may be made only in extreme hardship cases and may not be made if the students live within two miles of an approved school bus route.

No equivalent provision.

No equivalent provision.

Sec. 42.204. Transportation of Special Education Students. Allows districts to use a portion of their special education

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SUBCHAPTER E. NEW INSTRUCTIONAL FACILITY ALLOTMENT

Sec. 42.221. New Instructional Facility Allotment. A school district is entitled to an additional allotment as provided by this subchapter for operational expenses associated with opening a new instructional facility.

Sec. 42.222. Definition. In this *subchapter*, "instructional facility" has the meaning assigned by Section 46.001.

No equivalent provision.

SECTION 1B.15. Amends Sections 42.158(b), (d), and (g), Education Code, and adds (b-1) as follows:

No equivalent provision.

(g) In this *section*:  
(1) "Fast growth school district" means a school district that during the preceding five school years has experienced an increase in enrollment of: (A) greater than 10 percent; or (B) more than 3,500 students.  
(2) "Instructional [~~instructional~~] facility" has the meaning assigned by Section 46.001.

allotment to pay transportation costs for special education students, if necessary. Allows the commissioner to grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting special education students. Requires the mileage allowed to be computed along the shortest public road from the student's home to school and back, morning and afternoon and requires the need for this type transportation to be determined on an individual basis and to be approved only in extreme hardship cases.

Sec. 42.205. Texas School for the Deaf. Entitles the Texas School for the Deaf to an allotment under this section. The commissioner shall determine the appropriate allotment.

Same as House version.

Sec. 42.221. Same as House version.

Sec. 42.222. In this subchapter:  
(1) "Fast growth school district" means a school district that during the five school years *preceding the opening of a new instructional facility* has experienced an increase in enrollment of:(A) greater than 10 percent; or (B) more than 3,500 students.  
(2) "Instructional facility" has the meaning assigned by

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 42.223. Allotment for First Year of Operation. For the first school year in which students attend a new instructional facility, a school district is entitled to an allotment of \$250 for each student in average daily attendance at the facility *or a greater amount provided by appropriation.*

No equivalent provision.

Sec. 42.224. Allotment for Second Year of Operation. (a) Entitles a district, for the second school year in which students attend a new facility, an allotment of \$250 for each additional student in ADA at the facility or a greater amount provided by appropriation.

No equivalent provision.

79S11153 JLZ

(b) For the first school year in which students attend a new instructional facility, a school district *other than a fast growth school district* is entitled to an allotment of \$250 for each student in average daily attendance at the facility. For the second and third school years [year] in which students attend that instructional facility, the [a-school] district is entitled to an allotment of \$250 for each additional student in average daily attendance at the facility.

(b-1) For the first school year in which students attend a new instructional facility, a fast growth school district is entitled to an allotment of \$500 for each student in average daily attendance at the facility. For the second and third school years in which students attend that instructional facility, the district is entitled to an allotment of \$500 for each additional student in average daily attendance at the facility.

See (b) above.

See (b-1) above.

24

Section 46.001.

Sec. 42.223. Allotment for First Year of Operation. (a) For the first school year in which students attend a new instructional facility, a school district other than a fast growth school district is entitled to an allotment of \$250 for each student in average daily attendance at the facility or a greater amount provided by appropriation.

(b) For the first school year in which students attend a new instructional facility, a fast growth school district is entitled to an allotment of \$375 for each student in average daily attendance at the facility or a greater amount provided by appropriation.

Sec. 42.224. Allotment for Second *And Third* Years of Operation. (a) For the second and third school year in which students attend a new instructional facility, a school district other than a fast growth school district is entitled to an allotment of \$250 for each additional student in average daily attendance at the facility or a greater amount provided by appropriation.

(b) For the second and third school years in which students attend a new instructional facility, a fast growth school

Associated Draft:



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(b) Provides that the number of additional students in ADA at a facility is the difference between the number of students in ADA in the current year at that facility and the number of students in ADA at that facility in the preceding year.

Sec. 42.225. Proration of Allotments. If the total amount of allotments to which school districts are entitled under this *subchapter* for a school year exceeds the amount appropriated for allotments under this *subchapter*, the commissioner shall reduce each district's allotment under this *subchapter* in the manner provided by Section 42.313(f).

SUBCHAPTER G. ENRICHMENT PROGRAM

Sec. 42.251. Purpose. Establishes the purpose of the enrichment program *component of the Foundation School Program*.

See Sec. 42.252 below.

79S11153 JLZ

No equivalent provision.

(d) *The amount appropriated for allotments under this section may not exceed \$50 [25] million in a school year.* If the total amount of allotments to which districts are entitled under this *section* for a school year exceeds the amount appropriated for allotments under this *section*, the commissioner shall reduce each district's allotment under this *section* in the manner provided by Section 42.253(h).

SECTION 1B.25. (part) Adds Subchapter F, Chapter 42, Education Code, as follows:  
SUBCHAPTER F. ENRICHMENT PROGRAM

Sec. 42.301. Same as House version, except omits reference as a component of the Foundation School Program.

SECTION 1A.10. Amends Section 42.302(a), Education Code, relating to the allotment under the guaranteed yield program, and adds (a-1) as follows: (a) Changes the dollar

25

district is entitled to an allotment of \$375 for each additional student in average daily attendance at the facility or a greater amount provided by appropriation.

(c) Same as House version..

Sec. 42.225. *Limit on Appropriations; Proration of Allotments. The amount appropriated for allotments under this section may not exceed \$35 million in a school year.* If the total amount of allotments to which districts are entitled under this *subchapter* for a school year exceeds the amount appropriated for allotments under this *subchapter*, the commissioner shall reduce each district's allotment under this *section* in the manner provided by Section 42.313(f).

Same as House version.

Sec. 42.251. Same as House version.

Same as House version.

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

amount guaranteed level of state and local funds per WADA per penny of tax effort from *\$27.14 to the amount of district tax revenue per weighted student, per cent of tax effort available to a school district at the 90th percentile in wealth per student, as determined by the commissioner.*

(a-1) Defines "wealth per student" as a district's taxable property value under Subchapter M, Chapter 403, Government Code, divided by the district's WADA.

See Sec. 42.252 below.

Sec. 42.252. Allotment. Each school district is guaranteed a specified amount per student in state and local funds for each cent of enrichment tax effort up to the maximum level specified in this subchapter. The amount of state support, *subject only to the maximum amount under Section 42.253*, is determined by the formula:

$$\text{GYA} = \text{GL} \times \text{AF} \times \text{DETR} \times 100) - \text{LR}$$

where:

"GYA" is the guaranteed amount of state enrichment funds to be allocated to the district;

"GL" is the dollar amount guaranteed level, which is \$33 for the 2005-2006 school year, \$34 for the 2006-2007 school year, and \$38 for the 2007-2008 and subsequent school years, provided that a greater amount for any school year may be provided by appropriation;

"AF" is the application factor, which is determined by the

SECTION 1B.25. (part) Adds Sections 42.302 - 42.304, Education Code, as follows:

Sec. 42.302. Allotment. (a) Defines "wealth per student" same as above.

(b) Each school district is guaranteed a specified amount per student in state and local funds for each cent of enrichment tax effort up to the maximum level specified in this subchapter. The amount of state support is determined by the formula:

$$\text{EGYA} = (\text{EGL} \times \text{WADA} \times \text{DETR} \times 100) - \text{LR}$$

where:

"EGYA" is the guaranteed yield amount of state enrichment funds to be allocated to the district;

"EGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the amount of district enrichment tax revenue per cent of tax effort available to a school district at the 98th percentile in wealth per student, as determined by the commissioner;

"WADA" is the number of students in weighted average

Same as House version.

Sec. 42.252. (a) Same as House version, except "GL" is the dollar amount guaranteed level, *which is the amount of district enrichment tax revenue per cent of tax effort available to a school district at the target percentile, which is the 96th percentile in wealth per student*, provided that a greater amount for any school year may be provided by appropriation, and "DETR" is the district enrichment tax rate of the school district, which is the district's adopted maintenance and operations tax rate minus the maximum rate specified under Section 42.306 or otherwise provided by appropriation for purposes of that section, *or, if applicable, the rate described by Section 41.091(b).*

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

commissioner by dividing the amount of the district's allotments under Subchapters B and C, as adjusted in accordance with Subchapter H, divided by the accreditation allotment specified in Section 42.101 for the applicable year;

"DETR" is the district enrichment tax rate of the school district, which is the district's adopted maintenance and operations tax rate minus the maximum rate specified under Section 42.306 or otherwise provided by appropriation for purposes of that section; and

"LR" is the local revenue, which is determined by multiplying "DETR" by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, divided by 100.

No equivalent provision.

SENATE VERSION

daily attendance, which is computed by dividing the sum of the school district's allotments under Subchapters B and C, less any allotment to the district for transportation, any allotment to the district under Section 42.158, and 50 percent of the adjustment under Section 42.102, by the accreditation allotment for the applicable year;

"DETR" is the district enrichment tax rate of the school district, which is determined by dividing the total amount of enrichment taxes collected by the school district for the applicable school year by the district's taxable value of property for the preceding year as determined under Subchapter M, Chapter 403, Government Code, divided by 100; and

"LR" is the local revenue, which is determined by multiplying "DETR" by the quotient of the district's taxable value of property for the preceding year as determined under Subchapter M, Chapter 403, Government Code.

(c) The percentile in wealth per student described by Subsection (b) for purposes of determining the dollar amount guaranteed level of state and local funds per student per cent of tax effort ("EGL") applies beginning with the 2014-2015 school year. For the 2006-2007 through 2013-2014 school years, EGL is determined as follows:

- (1) for the 2006-2007 school year, EGL is determined using the 92nd percentile in wealth per student;
- (2) for the 2007-2008 school year, EGL is determined using the 92nd percentile in wealth per student;
- (3) for the 2008-2009 school year, EGL is determined using the 93rd percentile in wealth per student;

CONFERENCE

- (b) The target percentile described by Subsection (a) for purposes of determining the dollar amount guaranteed level ("GL") applies beginning with the 2010-2011 school year. For the 2006-2007 through 2009-2010 school years, GL is determined as provided by this subsection, except that a different amount may be provided by appropriation:
- (1) for the 2006-2007 school year, GL is determined using a target percentile that is equivalent to an amount of \$39.20;
  - (2) for the 2007-2008 school year, GL is determined using a target percentile that is equivalent to an amount of \$40;
  - (3) for the 2008-2009 school year, GL is determined using a target percentile that is equivalent to an amount of

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(4) for the 2009-2010 school year, EGL is determined using the 93rd percentile in wealth per student;  
(5) for the 2010-2011 school year, EGL is determined using the 94th percentile in wealth per student;  
(6) for the 2011-2012 school year, EGL is determined using the 95th percentile in wealth per student;  
(7) for the 2012-2013 school year, EGL is determined using the 96th percentile in wealth per student; and  
(8) for the 2013-2014 school year, EGL is determined using the 97th percentile in wealth per student.

\$40.70; and  
(4) for the 2009-2010 school year, GL is determined using a target percentile of the 94th percentile in wealth per student.

No equivalent provision.

(d) This subsection and Subsection (c) expire September 1, 2013.

(d) This subsection and Subsection (b) expire September 1, 2013.

Sec. 42.253. District Enrichment Tax.

Sec. 42.303. Enrichment Tax.

Sec. 42.253. Same as House version.

No equivalent provision.

(a) Subject to Section 42.304, the board of trustees of a school district may impose an annual ad valorem tax for the further maintenance of the public schools in the district.

Same as House version.

(a) The district enrichment tax rate may not exceed \$0.15 per \$100 of valuation.

(b) *Except as provided by Section 42.252(a-1)*, the district enrichment tax rate may not exceed \$0.15 for each \$100 of taxable value of property.

(a) Same as House version.

(a-1) Notwithstanding Subsection (a), the district enrichment tax rate may not exceed:

(1) for the 2005 and 2006 tax years, the rate of \$0.05 per \$100 of valuation; and

(2) for the 2007 and 2008 tax years, the rate of \$0.10 per \$100 of valuation.

(c) Notwithstanding Subsection (b) *but subject to Sections 42.252(a-1) and 42.306*:

(1) for the 2006 tax year, the district enrichment tax rate may not exceed \$0.05 for each \$100 of taxable value of property; and

(2) for the 2007 and 2008 tax years, the district enrichment

(a-1) Same as House version, except in Subdivision (1), the rate of \$0.05 per \$100 dollars of valuation applies only to the 2006 tax year.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

tax rate may not exceed \$0.10 for each \$100 of taxable value of property.

(b) A school district's enrichment tax rate must be approved by the voters in accordance with Section 45.003 and Section 26.08, Tax Code.

Sec. 42.304. Enrichment Tax Election. (a) Except as provided by Section 42.306, prohibits a school district from imposing an enrichment tax under Section 42.303 without voter approval at an election held for that purpose.

(b) Same as House version.

(b) Requires a ballot proposition to authorize the levy of an enrichment tax to include the question of whether the board of trustees may impose annual ad valorem taxes for the further enrichment of public schools at a rate not to exceed the rate stated in the proposition.

(c) Allows a district to tax at a rate below the rate authorized in an election under this section and to increase the rate up to the rate authorized in the election without additional voter approval.

(c) Subsection (a-1) and this subsection expire January 1, 2009.

Sec. 42.303(d). This subsection and Subsection 42.303(c) expire January 1, 2009.

(c) Same as House version.

No equivalent provision.

SECTION 1A.11. Amends Section 42.303, Education Code, Limitation On Tax Rate, to delete references to the tax rate as an enrichment tax rate and to lower the cap from *\$0.64* to *\$0.54* per \$100 valuation, or a greater amount for any year provided by appropriation. (FA1)

Same as House version.

Sec. 42.254. Computation of Enrichment Aid for District on Military Installation or at State School. *State enrichment assistance* under this subchapter *for* a school district located on a federal military installation or at

SECTION 1B.25 (part). Adds Sections 42.305 and 42.306, Education Code, as follows:

Sec. 42.254. Same as House version.

Sec. 42.305. Computation of Enrichment Aid for District on Military Reservation or at State School. *The amount to*

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Moody State School is computed using the average district enrichment tax rate and property value per student of school districts in the county, as determined by the commissioner.

*which a school district is entitled* under this subchapter *in a* school district located on a federal military installation or at Moody State School is computed using the average district enrichment tax rate and property value per student of school districts in the county, as determined by the commissioner.

No equivalent provision.

Sec. 42.306. Enrichment Tax Available to Certain Districts Without Election. (a) Entitles a district to impose a property tax under Section 42.303 without holding an election under Section 42.304, to the extent consistent with Subsection (b), if its maintenance and operations (M&O) tax rate for the 2004 tax year exceeded a rate of \$1.50 for each \$100 of taxable value of property.  
(b) Prohibits the enrichment tax authorized by this section from exceeding a rate equal to the lesser of: (1) \$0.15 for each \$100 of taxable value of property; or (2) a rate equal to the amount by which the district's M&O tax rate for the 2004 tax year exceeded a rate of \$1.50 for each \$100 of taxable value of property.  
(c) Requires voter under Section 42.304 of the portion of an enrichment tax imposed by a school district under this section that exceeds the rate permitted by Subsection (b).  
(d) Provides that the portion of an enrichment tax imposed by a school district under this section that exceeds the rate permitted by Subsection (b) is subject to the limits of Section 42.303(c). This subsection expires January 1, 2009.

Same as House version.

SUBCHAPTER H. ADDITIONAL ADJUSTMENTS;

SECTION 1B.05. Amends Section 42.102, Education

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

FINANCING THE PROGRAM

Code, as follows:

Sec. 42.301. Cost of Education Adjustment. (a) The amounts of the accreditation allotments under Subchapter B and each special student allotment under Subchapter C are adjusted to reflect the geographic variation in known resource costs and costs of education due to factors beyond the control of the school district. The amount of the adjustment is 50 percent of the total amount that would result from application of the cost of education index adopted under Subsection (b), or a greater amount for any school year provided by appropriation.

Sec. 42.102. Cost of Education Adjustment. (a) The accreditation [basic] allotment for each district is adjusted to reflect the geographic variation in known resource costs and costs of education due to factors beyond the control of the school district. The amount of the adjustment is 71 percent of the total amount that would result from application of the cost of education index adopted under this section, or a greater amount for any year provided by appropriation.

Same as House version.

No equivalent provision.

(a-1) Notwithstanding any other provision of this section, the initial amount of the cost of education index adjustment is a percent determined by the Legislative Budget Board that would result in a total amount of funds delivered under this section that does not exceed the total amount of funds delivered using the application of the cost of education index as it existed on January 1, 2005.

Same as House version.

No equivalent provision.

(a-2) The Legislative Budget Board shall annually increase the initial adjustment percentage determined under Subsection (a) so that the percentage: (1) increases at the same rate of growth as the implementation of the small and mid-sized district adjustments described by Sections 42.103(c-1) and (d-1); and (2) does not exceed 71 percent.

Same as House version.

No equivalent provision.

(b) Except as provided by Subsection (c), the [The] cost of education adjustment is determined using the average of the

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

~~three most recent index recomputations and adjustments adopted by the Legislative Budget Board under Subsection (d) [cost of education index adjustment adopted by the foundation school fund budget committee and contained in Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on March 26, 1997].~~

No equivalent provision.

(b-1) Except as provided by Subsection (c), the cost of education index to be used in determining the cost of education adjustment for the following school years is determined by the following formulas:

(1) for the 2006-2007 school year:

$$\text{CEI} = (\text{TFE} + (7 \times \text{PCEI})) / 8$$

(2) for the 2007-2008 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + (6 \times \text{PCEI})) / 8$$

(3) for the 2008-2009 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + (5 \times \text{PCEI}) + \text{LBBA}) / 8$$

(4) for the 2009-2010 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + (4 \times \text{PCEI}) + (2 \times \text{LBBA})) / 8$$

(5) for the 2010-2011 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + (3 \times \text{PCEI}) + (3 \times \text{LBBA})) / 8;$$

(6) for the 2011-2012 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + (2 \times \text{PCEI}) + (4 \times \text{LBBA})) / 8;$$

(7) for the 2012-2013 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + \text{PCEI} + (5 \times \text{LBBA})) / 8; \text{ and}$$

(8) for the 2013-2014 school year:

$$\text{CEI} = ((2 \times \text{TFE}) + (6 \times \text{LBBA})) / 8$$

where:

"CEI" is the index to be used;

"TFE" is the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public

Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

School Finance of the 78th Legislature;  
"PCEI" is the index applied during the 2005-2006 school  
year;  
"LBBA" is the index adopted by the Legislative Budget  
Board in accordance with Subsection (d) for the state fiscal  
biennium beginning September 1, 2007;  
"LBBB" is the index adopted by the Legislative Budget  
Board in accordance with Subsection (d) for the state fiscal  
biennium beginning September 1, 2009; and  
"LBBC" is the index adopted by the Legislative Budget  
Board in accordance with Subsection (d) for the state fiscal  
biennium beginning September 1, 2011.

No equivalent provision.

(c) If the adjustment provided by this section for a school  
year is less than the adjustment to which a school district  
would have been entitled using the index applied during the  
2005-2006 school year, the district's adjustment shall be  
computed using the index applied during the 2005-2006  
school year.

Same as House version.

No equivalent provision.

(c-1) The application of the cost of education index under  
this section may not result in a greater difference between  
the highest adjustment and the lowest adjustment than the  
difference that existed between the highest and lowest  
adjustments under Chapter 203, Title 19, Texas  
Administrative Code, as that chapter existed on January 1,  
2005. The Legislative Budget Board shall increase the  
amount of the lowest adjustment to satisfy this subsection.

Same as House version.

(b) The Legislative Budget Board shall adopt a cost of

(d) The Legislative Budget Board shall: (1) conduct a

(b) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

education index based on a statistical analysis conducted on a revenue neutral basis that is designed to isolate the independent effects of uncontrollable factors on the compensation that school districts must pay, including teacher salaries and other benefits. The analysis must include, at a minimum, variations in teacher characteristics, teacher work environments, and the economic and social conditions of the communities in which teachers reside.

No equivalent provision.

(b-1) Notwithstanding Subsection (a), the cost of education index (CEI) for purposes of that subsection for the following school years is determined in the following manner:

(1) for the 2005-2006 school year, the index shall be computed giving a weight of 25 percent to the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public School Finance of the 78th Legislature and a weight of 75 percent to the index used to determine a school district's adjustment for the 2004-2005 school year;

(2) for the 2006-2007 school year, the index shall be computed giving a weight of 50 percent to the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public School Finance of the 78th Legislature and a weight of 50 percent to the index used to

study each biennium and recompute the cost of education index; and (2) adopt adjustments as the board determines are necessary to ensure that the cost of education index reflects current variations in known resource costs and costs of education, including costs related to social security, due to factors beyond the control of a school district.

(d-1) All information relating to the computation and adoption of the cost of education index under this section, including underlying data, assumptions, and computations used in the development of the index, is public information.

No equivalent provision.

Same as House version.

(b-1) In this subsection, "teacher fixed effects index" means the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public School Finance of the 78th Legislature, as adjusted so that there is not a greater difference between the highest index value and the lowest index value in the regional boundaries of a regional education service center than the difference that existed between the highest index value and lowest index value within the regional boundaries of that regional education service center under 19 T.A.C. Chapter 203, as that chapter existed on January 1, 2005. The commissioner shall increase the amount of the lowest adjustment in the regional boundaries of each regional education service center to satisfy the requirements of this subsection. Notwithstanding Subsection (a), the cost of education index for purposes of that subsection for the following school

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

determine a school district's adjustment for the 2004-2005 school year;

(3) for the 2007-2008 school year, the index shall be computed giving a weight of 75 percent to the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public School Finance of the 78th Legislature and a weight of 25 percent to the index used to determine a school district's adjustment for the 2004-2005 school year; and

(4) for the 2008-2009 school year, the cost of education index for purposes of Subsection (a) is the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public School Finance of the 78th Legislature.

No equivalent provision.

(c) Requires the LBB to update the CEI biennially and to submit the updated index to the legislature not later than December 1 of each even-numbered year.

SENATE VERSION

No equivalent provision.

See (d)(1) above.

CONFERENCE

years is determined using the teacher fixed effects index in the following manner:

(1) for the 2006-2007 school year, the index shall be computed giving a weight of 25 percent to the teacher fixed effects index and a weight of 75 percent to the index used to determine a school district's adjustment for the 2005-2006 school year;

(2) for the 2007-2008 school year, the index shall be computed giving a weight of 50 percent to the teacher fixed effects index and a weight of 50 percent to the index used to determine a school district's adjustment for the 2005-2006 school year;

(3) for the 2008-2009 school year, the index shall be computed giving a weight of 75 percent to the teacher fixed effects index and a weight of 25 percent to the index used to determine a school district's adjustment for the 2005-2006 school year; and

(4) for the 2009-2010 and 2010-2011 school years, the cost of education index for purposes of Subsection (a) is the teacher fixed effects index.

(b-2) All information relating to the computation and adoption of the cost of education index under this section, including underlying data, assumptions, and computations used in the development of the index, is public information.

(c) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c-1) Requires the LBB to submit the initial update required by Subsection (c) not later than December 1, 2008.

No equivalent provision.

(c-1) Same as House version.

(c-2) Subsections (b-1), (c-1), and this subsection expire September 1, 2009.

No equivalent provision.

(c-2) Subsections (b-1), (c-1), and this subsection expire September 1, 2011.

(d) If the index value provided by this section for a district is less than the index value used to calculate the CFI adjustment for that school district during the previous school year, the district's adjustment shall be computed using the index applied during the previous school year.

No equivalent provision.

(d) Same as House version.

No equivalent provision.

No equivalent provision.

(d) A school district may apply to the agency for a correction of the computation of the adjustment for the district under this section. A review by the agency under this subsection must be limited to the computation and application of data under this section and may not include an appeal of the methodology used to compute the cost of education index.

No equivalent provision.

(e) A school district may appeal a determination of the Legislative Budget Board under Subsection (d) and request a contested case hearing before an administrative law judge of the State Office of Administrative Hearings. A district must pay the cost of an appeal under this section. An appeal must be limited to the computation and application of data under this section and may not include an appeal of the methodology used to compute the teacher fixed effects index.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

(f) Subsection (b) applies beginning with the 2014-2015 school year. Subsections (a-1), (a-2), (b-1), and this subsection expire September 1, 2015.

Same as House version.

No equivalent provision.

(g) Beginning with the 2007-2008 school year, the amount of .062 (6.2 percent) is added to the adjustment provided for under Subsections (b), (b-1), (c), and (d) for any school district that pays taxes under 26 U.S.C. Section 3111(a), and its subsequent amendments, for employees covered by the social security retirement program, if the district covers all employees and did so prior to January 1, 2005.

Same as House version.

No equivalent provision.

(h) Beginning with the 2007-2008 school year, the amount of .031 (3.1 percent) is added to the adjustment provided for under Subsections (b), (b-1), and (c) for any school district that pays taxes under 26 U.S.C. Section 3111(a), and its subsequent amendments, for employees covered by the social security retirement program, if the district covers at least 25 percent of its employees and did so prior to January 1, 2005.

Same as House version.

No equivalent provision.

(i) The commissioner may adopt rules necessary for the implementation of this section.

Same as House version.

Sec. 42.302. Small And Mid-Sized District Adjustment.  
(a) *The amounts of the accreditation allotments under Subchapter B and each special student allotment under Subchapter C of certain small and mid-sized school districts are adjusted in accordance with this section to reflect district costs related to the district's size. In this*

SECTION 1B.06. Amends Sections 42.103(a), (c), and (d), Education Code, and adds (c-1), (c-2), (d-1), and (f) as follows:  
(a) *The accreditation [basic] allotment for certain small and mid-sized districts is adjusted in accordance with this section. In this section:*

Sec. 42.302. (a) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

section:

(1) "A" is the amount of additional funding to which a district is entitled based on an adjustment under this section;

(2) "ADA" is the number of students in average daily attendance for which the district is entitled to an accreditation allotment under Section 42.101; and

(3) "SA" is the sum of the district's accreditation allotments under Subchapter B and each special student allotment under Subchapter C, as adjusted in accordance with Section 42.301.

(b) The sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$A = ((1,600 - ADA) \times .000424) \times SA$$

(b-1) Notwithstanding Subsection (b), for the 2005-2006 school year the sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$A = ((1,600 - ADA) \times .000416) \times SA$$

(c) The *sum of total accreditation allotments and any*

(1) "SA" [~~"AA"~~] is the district's size-adjusted accreditation [~~adjusted~~] allotment per student;

(2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 42.101; and

(3) "AA" [~~"ABA"~~] is the adjusted accreditation [~~basic~~] allotment determined under Section 42.102.

No equivalent provision.

NOTE: The formula for this adjustment in current law is:

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

No equivalent provision.

(c) The accreditation [~~basic~~] allotment of a school district

(b) The sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$A = ((1,600 - ADA) \times \underline{\hspace{1cm}}) \times SA$$

(b-1) Subsection (b) applies beginning with the 2008-2009 school year. For the 2006-2007 and 2007-2008 school years, a school district described by Subsection (b) is entitled to an adjustment determined by applying the following formulas:

(1) for the 2006-2007 school year:

$$A = ((1,600 - ADA) \times \underline{\hspace{1cm}}) \times SA; \text{ and}$$

(2) for the 2007-2008 school year:

$$A = ((1,600 - ADA) \times \underline{\hspace{1cm}}) \times SA$$

(c) The sum of total accreditation allotments and any

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

*special student allotments under Subchapter C of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:*

$$A = ((1,600 - ADA) \times .000265) \times SA.$$

(c-1) Notwithstanding Subsection (c), for the 2005-2006 school year the sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$A = ((1,600 - ADA) \times .000260) \times SA$$

No equivalent provision.

SENATE VERSION

that ~~contains less than 300 square miles and~~ has not more than 1,600 students in average daily attendance is adjusted by applying the following formula, or the formula under Subsection (d) if that results in a greater allotment:

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

$$[AA = (1 + ((1,600 - ADA) \times .00025)) \times ABA]$$

(c-1) Notwithstanding Subsection (c), the accreditation allotment of a school district that has not more than 1,600 students in average daily attendance is adjusted for the following school years by applying the following formulas, or the appropriate formula under Subsection (d-1) if that results in a greater allotment:

(1) for the 2006-2007 school year:

$$SA = (1 + ((1,600 - ADA) \times .00026)) \times AA$$

(2) for the 2007-2008 school year:

$$SA = (1 + ((1,600 - ADA) \times .00028)) \times AA$$

(3) for the 2008-2009 school year:

$$SA = (1 + ((1,600 - ADA) \times .0003)) \times AA$$

(4) for the 2009-2010 school year:

$$SA = (1 + ((1,600 - ADA) \times .00032)) \times AA;$$

(5) for the 2010-2011 school year:

$$SA = (1 + ((1,600 - ADA) \times .00034)) \times AA;$$

(6) for the 2011-2012 school year:

$$SA = (1 + ((1,600 - ADA) \times .00036)) \times AA; \text{ and}$$

(7) for the 2012-2013 school year:

$$SA = (1 + ((1,600 - ADA) \times .00038)) \times AA$$

(c-2) Notwithstanding Subsection (c-1), for the 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012,

CONFERENCE

special student allotments under Subchapter C of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$A = ((1,600 - ADA) \times \underline{\hspace{1cm}}) \times SA$$

(c-1) Subsection (c) applies beginning with the 2008-2009 school year. For the 2006-2007 and 2007-2008 school years, a school district described by Subsection (c) is entitled to an adjustment determined by applying the following formulas:

(1) for the 2006-2007 school year:

$$A = ((1,600 - ADA) \times \underline{\hspace{1cm}}) \times SA; \text{ and}$$

(2) for the 2007-2008 school year:

$$A = ((1,600 - ADA) \times \underline{\hspace{1cm}}) \times SA$$

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

or 2012-2013 school year, the accreditation allotment of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the following formula, or the appropriate formula under Subsection (d-1) if that results in a greater allotment:

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

(d) The sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1) the formula in Subsection (b) or (c) for which the district is eligible; or

$$(2) A = ((5,000 - ADA) \times .0000265) \times SA.$$

(d-1) Notwithstanding Subsection (d), for the 2005-2006 school year the sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1) the formula in Subsection (b-1) or (c-1) for which the district is eligible; or

$$(2) A = ((5,000 - ADA) \times .0000260) \times SA$$

(d) The accreditation [basic] allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1) the formula in Subsection ~~[(b) or]~~ (c) ~~[for which the district is eligible];~~ or

$$(2) SA = (1 + ((5,000 - ADA) \times .00004)) \times AA$$

$$[AA = (1 + ((5,000 - ADA) \times .000025)) \times ABA].$$

(d-1) Notwithstanding Subsection (d), the accreditation allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted for the following school years by applying the following formulas, or the formula under Subsection (c) if that results in a greater allotment:

(1) for the 2006-2007 school year:

$$SA = (1 + ((5,000 - ADA) \times .000026)) \times AA$$

(2) for the 2007-2008 school year:

$$SA = (1 + ((5,000 - ADA) \times .000028)) \times AA$$

(3) for the 2008-2009 school year:

(d) The sum of the total accreditation allotments and any special student allotments under Subchapter C of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

(1) the formula in Subsection (b) or (c) for which the district is eligible; or

$$(2) A = ((5,000 - ADA) \times \underline{\hspace{1cm}}) \times SA$$

(d-1) Subsection (d) applies beginning with the 2008-2009 school year. For the 2006-2007 and 2007-2008 school years, a school district described by Subsection (d) is entitled to an adjustment determined by applying the following formulas that result in the greatest adjusted allotment:

(1) for the 2006-2007 school year:

(A) the formula in Subsection (b-1)(1) or (c-1)(1) for which the district is eligible; or

$$(B) A = ((5,000 - ADA) \times \underline{\hspace{1cm}}) \times SA; \text{ and}$$

(2) for the 2007-2008 school year:

(A) the formula in Subsection (b-1)(2) or (c-1)(2) for



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(e) In addition to the adjustment otherwise provided by this section, requires the commissioner, in accordance with commissioner rules, to provide an additional adjustment for each school district that is located in a county with a population of less than 5,000 and that contains a majority of the territory in the county. To fund the adjustment provided by this subsection, the commissioner shall withhold the amount of \$3 million each fiscal year from amounts appropriated for the Foundation School Program.

(f) Subsections (b-1), (c-1), and (d-1) and this subsection expire September 1, 2006.

No equivalent provision.

79S11153 JLZ

SA = (1 + ((5,000 - ADA) X .00003)) X AA  
(4) for the 2009-2010 school year:  
SA = (1 + ((5,000 - ADA) X .000032)) X AA;  
(5) for the 2010-2011 school year:  
SA = (1 + ((5,000 - ADA) X .000034)) X AA;  
(6) for the 2011-2012 school year:  
SA = (1 + ((5,000 - ADA) X .000036)) X AA; and  
(7) for the 2012-2013 school year:  
SA = (1 + ((5,000 - ADA) X .000038)) X AA

No equivalent provision.

(f) Subsections (c) and (d) apply beginning with the 2013-2014 school year. Subsections (c-1), (c-2), and (d-1) and this subsection expire September 1, 2014.

SECTION 1B.07. (part) Amends Sections 42.104 and 42.105, Education Code, as follows:  
Sec. 42.104. Use of Small or Mid-Sized District Adjustment in Calculating Special Allotments. Makes a conforming change.

41

which the district is eligible; or  
(B)  $A = ((5,000 - ADA) X .00002862) X SA.$

(e) Same as House version.

(f) Same as House version.

Same as House version.

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 42.303. Sparsity Adjustment. Substantially the same as Section 42.105 in current law, except to change statutory citations to renumbered sections and make a conforming change.

Sec. 42.105. Sparsity Adjustment. Makes conforming changes.

Sec. 42.303. Same as House version.

Sec. 42.304. Financing: General Rule. (a) The sum of the accreditation allotments under Subchapter B and the *additional* allotments under Subchapters C, D, and E, as *adjusted* in accordance with this subchapter, constitutes the *tier one allotments*. The sum of the *tier one* allotments and the enrichment program allotments under Subchapter G constitutes the total cost of the Foundation School Program.

SECTION 1B.16. Amends Section 42.251, Education Code, as follows:

Sec. 42.251. Financing: General Rule. (a) The sum of the accreditation [~~basic~~] allotment under Subchapter B and the *special* allotments under Subchapter C, *computed* in accordance with this chapter, constitute the *basic program* [~~tier one~~] allotments. The sum of the *basic program* [~~tier one~~] allotments and the *enrichment program* [~~guaranteed yield~~] allotments under Subchapter F, *computed in accordance with this chapter*, constitute the total cost of the Foundation School Program.

Sec. 42.304. (a) Same as House version.

(b) The program shall be financed by:

- (1) state funds appropriated for the purposes of public school education.
- (2) ad valorem tax revenue generated by an equalized uniform school district effort.
- (3) ad valorem tax revenue generated by local school district effort for an enrichment program in accordance with Subchapter G.
- (4) state available school funds distributed in accordance with law.

(b) The program shall be financed by:

- (4) state funds appropriated for the purposes of public school *education and allocated to each district in an amount sufficient to finance the cost of each district's Foundation School Program not covered by other funds specified in this subsection.*
- (1) ad valorem tax revenue generated by an equalized uniform school district effort.
- (2) ad valorem tax revenue generated by local school district effort for an enrichment program in accordance with Subchapter F in excess of the equalized uniform school district effort.
- (3) state available school funds distributed in accordance

(b) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

with law.

SECTION 1A.05. Adds Section 42.2512(a-1), Education Code, relating to additional state aid for professional salaries, to entitle a district to an amount equal to \$1,500 or (if House Bill 3 takes effect immediately) \$2,000, as determined by the commissioner, times the number of classroom teachers, full-time librarians, certified full-time counselors, and full-time school nurses hired by the district under the minimum salary schedule. This amount is in addition to any transitional aid to which it is entitled under Section 42.2541 and applies also to a district that is otherwise ineligible for state aid.

Same as House version.

No equivalent provision.

SECTION 1B.17. Amends Section 42.2512(a), Education Code, relating to additional state aid for professional salaries. Substantially the same provision as added by SECTION 1A.05, except that this provision increases the amounts by \$1,500 per employee and does not apply to a district that is ineligible for state aid.

Same as House version.

Sec. 42.305. Additional State Aid for Ad Valorem Tax Credits Under Texas Economic Development Act. For each school year, a school district, *including a school district that is otherwise ineligible for state aid under this chapter*, is entitled to state aid in an amount equal to the amount of all tax credits credited against ad valorem taxes of the district in that year under Subchapter D, Chapter 313, Tax Code.

SECTION 1B.18. Amends Section 42.2515(a), Education Code, relating to additional state aid for ad valorem tax credits under Texas Economic Development Act, as follows: (a) For each school year, a school district ~~including a school district that is otherwise ineligible for state aid under this chapter.~~ is entitled to state aid in an amount equal to the amount of all tax credits credited against ad valorem taxes of the district in that year under Subchapter D, Chapter 313, Tax Code.

Sec. 42.305. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 42.3051. Use of Revenue for Professional Staff Compensation; Additional State Aid. (a) Requires a school district to use at least 50 percent of all state and local maintenance and operations revenue to provide compensation to classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses. For purposes of this subsection, "compensation" includes salary, benefits, incentive payments, and other costs associated with professional staff compensation, as specified by commissioner rule.

(b) For the 2005-2006 school year, requires a district to ensure that average salaries provided to individuals listed in Subsection (a) are increased by the greater of: (1) \$2,000 per year; or (2) the average amount that can be provided using 44 percent of the amount by which the district's maintenance and operations revenue for the 2005-2006 school year exceeds the amount of the district's maintenance and operations revenue for the 2004-2005 school year, not to exceed \$3,000 per year.

(c) Allows a district that paid employees an additional amount during each of the 2003-2004 and 2004-2005 school years to compensate for reductions made in the health coverage or compensation supplementation provided by former Article 3.50-8, Insurance Code, to apply to the commissioner for authority to provide a lesser average salary increase than the amount otherwise required by Subsection (b), to the extent equitable considering the additional amount provided by the district during the 2003-2004 and 2004-2005 school years.

(d) Entitles a district, including one that is otherwise

No equivalent provision.

Sec. 42.3051. Professional Staff Salaries And Additional State Aid. (a) For the 2006-2007 school year, a school district shall provide classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses with, in addition to the amounts required under Section 21.402, annual salaries that are increased additionally by an average of \$500 over the average annual salaries for the 2005-2006 school year.

(b) A school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount, as determined by the commissioner, equal to the difference, if any, between: (1) an amount equal to the product of \$2,500 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; and (2) the amount of additional funds to which the district is entitled as a result of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005.

(c) Section 42.311(b) applies to any determinations made under Subsection (b).

(d) A determination by the commissioner under this section is final and may not be appealed.

(e) The commissioner may adopt rules to implement this section.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

ineligible for state aid under this chapter, to state aid in an amount, as determined by the commissioner, equal to the difference, if any, between: (1) an amount equal to the product of \$2,000 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; and (2) the amount of additional funds to which the district is entitled as a result of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005.

(e) Provides that a determination by the commissioner under this section is final and may not be appealed.

(f) Requires the commissioner to adopt rules to implement this section.

Sec. 42.3052. Crisis Intervention Funding. (a) Allows the commissioner, to the extent consistent with this section, to set aside funds appropriated to the agency for purposes of the Foundation School Program to provide temporary emergency assistance to a school district responding to flood, extreme weather conditions, fuel curtailment, severe financial crisis, or other crisis or disaster, as determined appropriate by the commissioner.

(b) Before setting aside funds under this section, the commissioner must notify the LBB and the governor.

(c) The commissioner may not set aside funds under this section if doing so would require proration of Foundation School Program entitlements under this chapter.

No equivalent provision.

Sec. 42.3052. Same as House version, except in Subsection (a) the commissioner is authorized to determine funding priorities under this section..

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

See Sec. 42.306 below.

SECTION 1A.06. Amends Section 42.252(a), Education Code, Local Share of Program Costs (Tier One), to lower the effective tax rate from \$0.86 to \$0.76 per \$100 valuation.

Same as House version.

See Sec. 42.306 below.

SECTION 1B.19. Amends the heading to Section 42.252, Education Code, as follows: Local Share of Basic Program Cost [~~(Tier One)~~].

Same as House version.

Sec. 42.306. Local Share of Program Cost (Tier One). (a) Each school district's share of the Foundation School Program is determined by the following formula:

$$LS = TR \times DPV$$

where:

"LS" is the school district's local share;

"TR" is a tax rate which for each hundred dollars of valuation is an adopted tax rate of \$1.10, or a lesser rate for any school year provided by appropriation; and

"DPV" is the taxable value of property in the school district for the preceding tax year as determined under Subchapter M, Chapter 403, Government Code.

SECTION 1B.20. Amends Section 42.252(a), Education Code, as follows:

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

$$LFA = TR \times DPV$$

where:

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

"TR" is a tax rate which for each hundred dollars of valuation is an adopted [effective] tax rate of \$1.10 [~~\$0.86~~]; and

"DPV" is the taxable value of property in the school district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code.

No equivalent provision.

Sec. 42.306. Local Share Of Program Cost (Tier One). (a) Each school district's share of the Foundation School Program is determined by the following formula:

$$LS = TR \times DPV$$

where:

"LS" is the school district's local share;

"TR" is a tax rate which for each \$100 of valuation is an adopted tax rate of \$1.20, or a lesser rate for any school year provided by appropriation; and

"DPV" is the taxable value of property in the school district for the preceding tax year as determined under Subchapter M, Chapter 403, Government Code.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(b) The commissioner shall adjust the values reported in the official report of the comptroller as required by *Section 403.302, Government Code*, to reflect reductions in taxable value of property resulting from natural or economic disaster after January 1 in the year in which the valuations are determined. The decision of the commissioner is final. An adjustment does not affect the local share of any other school district. (Substantially the same as current law, except current law cites *Section 5.09(a), Tax Code*.)

No equivalent provision.

(b) Same as House version.

(c) A school district with a tax rate ("TR") of *\$1.10* or the rate otherwise provided by appropriation for purposes of Subsection (a) is eligible to receive the full amount of the tier one allotment to which the district is entitled under this chapter.

No equivalent provision.

(c) A school district with a tax rate ("TR") of *\$1.20* or the rate otherwise provided by appropriation for purposes of Subsection (a) is eligible to receive the full amount of the tier one allotment to which the district is entitled under this chapter.

(c-1) Notwithstanding Subsection (c), for the *2005-2006* school year, a school district with a tax rate ("TR") of *\$1.15* or the rate otherwise provided by appropriation for purposes of Subsection (a-1) is eligible to receive the full amount of the tier one allotment to which the district is entitled under this chapter.

No equivalent provision.

Same as Senate version.

(d) If a school district's tax rate ("TR") is less than *\$1.10* or the rate otherwise provided by appropriation for purposes of Subsection (a), the district's tier one allotment is adjusted by a percentage determined by dividing the district's tax rate ("TR") by *\$1.10* or the rate otherwise provided by appropriation for purposes of Subsection (a) and multiplying the resulting quotient by 100. The

No equivalent provision.

(d) If a school district's tax rate ("TR") is less than *\$1.20* or the rate otherwise provided by appropriation for purposes of Subsection (a), the district's tier one allotment is adjusted by a percentage determined by dividing the district's tax rate ("TR") by *\$1.20* or the rate otherwise provided by appropriation for purposes of Subsection (a) and multiplying the resulting quotient by 100. The

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

commissioner shall determine the amount of the tier one allotment to which a district is entitled under this subsection. The commissioner's determination is final and may not be appealed.

commissioner shall determine the amount of the tier one allotment to which a district is entitled under this subsection. The commissioner's determination is final and may not be appealed.

(d-1) Notwithstanding Subsection (d), for the 2005-2006 school year, if a school district's tax rate ("TR") is less than \$1.15 or the rate otherwise provided by appropriation for purposes of Subsection (a-1), the district's tier one allotment is adjusted by a percentage determined by dividing the district's tax rate ("TR") by \$1.15 or the rate otherwise provided by appropriation for purposes of Subsection (a-1) and multiplying the resulting quotient by 100. The commissioner shall determine the amount of the tier one allotment to which a district is entitled under this subsection. The commissioner's determination is final and may not be appealed.

No equivalent provision.

Same as Senate version.

(e) In implementing any provision of this title that refers to a school district's tier one allotment, the tier one allotment of a district described by Subsection (d) is the proportionate amount provided by that subsection.

No equivalent provision.

(e) Same as House version.

(e-1) Notwithstanding Subsection (e), for the 2005-2006 school year, in implementing any provision of this title that refers to a school district's tier one allotment, the tier one allotment of a district described by Subsection (d-1) is the proportionate amount provided by that subsection.

No equivalent provision.

Same as Senate version.

(e-2) Subsections (a-1), (c-1), (d-1), (e-1), and this

No equivalent provision.

Same as Senate version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

subsection expire September 1, 2006.

See Sec. 42.306 above.

SECTION 1B.2. Effective September 1, 2009, amends Section 42.252(a), Education Code, as follows:  
(a) Each school district's share of *the basic program under* the Foundation School Program is determined by the following formula:

$$LFA = TR \times DPV$$

where:

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

"TR" is a tax rate which for each hundred dollars of valuation is an adopted [effective] tax rate of \$1.05 [~~\$0.86~~]; and

"DPV" is the taxable value of property in the school district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code. (FA1)

Same as House version.

Sec. 42.307. Adjustment for Rapid Decline in Taxable Value of Property. Substantially the same as Section 42.2521 in current law except Subsection (a) omits a reference to Chapter 41 and refers to the tax base used in *computing* rather than *calculating* taxable values. In (b), makes a conforming statutory citation change.

SECTION 1B.21. Amends Section 42.2521(a), Education Code, to delete the same chapter reference as House version.

Sec. 42.307. Same as House version.

Sec. 42.308. Adjustment for Optional Homestead Exemption. Same as Section 42.2522 in current law except for revised statutory citations that reflect their re-designation in this revision of Chapter 42.

No equivalent provision.

Sec. 42.308. Same as House version.

Sec. 42.3081. Adjustment for Unpaid Taxes of Major

No equivalent provision.

Sec. 42.3081. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Taxpayer. (a) Requires the commissioner to make certain adjustments to a school district's taxable value of property for purposes of this chapter and Chapter 46.

(b) Allows a district with a major taxpayer that, because of an appraisal protest, fails to pay all or some of the property taxes due apply to the commissioner for an adjustment.

(c) Requires the commissioner to recover the benefit of any adjustment by making offsetting adjustments in the district's taxable property value for purposes of this chapter or Chapter 46 on a final determination of the taxable property value that was the basis of the original adjustment or in the second school year following the year in which the adjustment is made, whichever is earlier.

(d) Provides that a determination by the commissioner under this section is final and not subject to appeal.

Sec. 42.309. Adjusted Property Value for Districts Not Offering All Grade Levels. For purposes of this chapter, the taxable value of property of a school district that contracts for students residing in the district to be educated in another district under Section 25.039(a) is adjusted by applying the formula:

$$\text{ADPV} = \text{DPV} - (\text{TN}/\text{MTR})$$

where:

"ADPV" is the district's adjusted taxable value of property;  
"DPV" is the taxable value of property in the district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code;

"TN" is the total amount of tuition required to be paid by the district under Section 25.039 for the school year for which the adjustment is made, not to exceed the amount

SECTION 1B.07. (part) Amends Section 42.106, Education Code. As amended, same as House version.

Sec. 42.309. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

specified by commissioner rule under Section 25.039(b); and  
"MTR" is the maximum maintenance tax rate permitted under Section 45.003, expressed as a rate to be applied to the total valuation of taxable property.

Sec. 42.310. Effect of Appraisal Appeal. Same as Section 42.257 in current law, except refers to the *Texas education fund* rather than the *foundation school fund* and to the local *share* rather than *fund assignment*.

See Sec. 42.311 below.

No equivalent provision.

SECTION 1A.08. (part) Adds Section 42.2541, Education Code, Additional Transitional, Aid as follows: (a) Defines "weighted average daily attendance" (WADA).  
(b) Entitles a school district to the amount of state revenue necessary to maintain state and local revenue in an amount equal to the sum of: (1) the amount of state and local revenue per student in weighted average daily attendance (WADA) for maintenance and operation of the district that would have been available to the district if the funding elements under Chapters 41 and 42, including any amounts the district would have received under Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act), in effect during the 2004-2005 school year, were in effect for the current school year; and (2) \$37 per WADA.  
(c) Allows the commissioner to increase the amount to which a district is entitled as necessary.  
(d) Requires the commissioner to determine the amount of state funds to which a district is entitled, including the

Sec. 42.310. Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

amount per WADA, and to make that determination available to the Legislative Budget Board. The commissioner's determination is final and may not be appealed.

Sec. 42.311. Additional Transitional Aid.

SECTION 1B.24. (part) Adds Section 42.2541, Education Code, Additional Transitional Aid, as follows:

Sec. 42.311. Same as House version, except as follows:

No equivalent provision.

(a) Defines "weighted average daily attendance."

(a) Notwithstanding any other provision of this subtitle, and provided that a school district imposes a tax at a minimum rate specified by the commissioner, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in average daily attendance in the amount equal to the sum of:

(b) Notwithstanding Section 42.253, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue in an amount equal to the sum of:

(1) the amount of state and local revenue per student in average daily attendance for the maintenance and operation of the district to which the district would have been entitled for the 2005-2006 school year under Chapter 42, as that chapter existed on January 1, 2005, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2005, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2004-2005 school year, and including: (A) any amounts described by Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); (B) the portion of any profit the district received during the 2004-2005 school year as a result of an agreement under

(1) the amount of state and local revenue per student in weighted average daily attendance for maintenance and operation of the district that the district received for the 2005-2006 school year; and  
(2) an amount equal to \$98 per weighted student in average daily attendance.

(a) Notwithstanding any other provision of this subtitle, and provided that a school district imposes a tax at a minimum rate specified by the commissioner, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in average daily attendance in the amount equal to the sum of:

(1) the amount of state and local revenue per student in average daily attendance for the maintenance and operation of the district to which the district would have been entitled for the 2005-2006 school year under Chapter 42, as that chapter existed on January 1, 2005, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2005, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2004-2005 school year, and including: (A) any amounts described by Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); (B) the portion of any profit the district received during the 2005-2005 school year as a result of an agreement under

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Subchapter E, Chapter 41, that exceeds the amount of state and local revenue that would have been available to the district during that school year if the district imposed a maintenance and operations tax of \$1.50 per \$100 of valuation during that school year; (C) any amount necessary to reflect an adjustment made by the commissioner under Section 42.307; and (D) any amount necessary to reflect an adjustment made by the commissioner under Section 42.3081; and  
(2) an amount equal to three percent of the amount described by Subdivision (1).

(b) The amount of revenue to which a school district is entitled because of the instructional materials and technology allotment under Section 32.005 is not included in making a determination under Subsection (a).

(c) The commissioner shall determine the minimum tax rate for a school district under Subsection (a) on the basis of the tax rate adopted by the district for maintenance and operations for the 2004-2005 school year.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

(c) The commissioner may increase the amount to which a school district is entitled under Subsection (b) as the commissioner determines necessary.

(d) The commissioner shall:  
(1) compute and publish the amount of state and local revenue per student in weighted average daily attendance to which a district is entitled under Subsection (b) for the

Subchapter E, Chapter 41, that exceeds the amount of state and local revenue that would have been available to the district during that school year if the district imposed a maintenance and operations tax of \$1.50 per \$100 of valuation during that school year; (C) any amount necessary to reflect an adjustment made by the commissioner under Section 42.307; and (D) any amount necessary to reflect an adjustment made by the commissioner under Section 42.3081; and  
(2) an amount equal to three percent of the amount described by Subdivision (1).

(b) Same as House version.

(c) Same as House version, except requires the commissioner to make the.

Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

2006-2007 school year; and  
(2) use that amount per student in weighted average daily attendance in determining the amount to which a district is entitled under this section in subsequent school years.

(d) The commissioner shall determine the amount of state funds to which a school district is entitled under this section. The commissioner's determination is final and may not be appealed.

(e) The commissioner shall determine the amount of state funds to which a school district is entitled under this section, including the amount per student in weighted average daily attendance, and shall make that determination available to the Legislative Budget Board. The commissioner's determination is final and may not be appealed.

(d) Same as House version.

(e) Any amount to which a school district is entitled under Subchapter G is not included in determining the amount to which the district is entitled under this section.

SECTION 1B.24. (part) Adds Section 42.2542(c), Education Code. Same as House version.

(e) Same as House version.

Sec. 42.3111. Implementation of Revenue Maintenance Provisions for Districts Under Countywide Equalization System. Requires the commissioner, in implementing any provision that entitles a district to maintain the amount of state and local revenue per student in average daily attendance that would have been available to it using the funding elements under Chapters 41 and 42 in effect during the 2004-2005 school year, to consider the tax rate of each district that receives revenue from a countywide equalization tax to be the sum of the equalization tax rate and the rate imposed by the district.

No equivalent provision.

Sec. 42.3111. Same as House version, except refers to the funding elements in effect during the 2005-2006 school year rather than in the 2004-2005 school year.

See Sec. 42.312 below.

SECTION 1A.08 (part). Adds Section 42.2542, Education

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Code, as follows:

Sec. 42.2542. Temporary Limitations On Aid. Requires the commissioner to withhold from a district, for the 2005-2006 school year, the amount of state funds necessary to ensure that it does not receive an amount of state and local revenue per student in weighted average daily attendance that is greater than 103 percent of the amount to which it is entitled under Section 42.2541(b)(1). Requires the commissioner to determine the amount of state funds required to be withheld and provides that the commissioner's determination is final and not appealable. This section expires September 1, 2006.

(NOTE: See following section for another version of this provision.)

Sec. 42.312. Temporary Limitations on Aid. (a) Notwithstanding any other provision of this subtitle, *but subject to Subsection (e)*, requires the commissioner to withhold from a school district the amount of state funds necessary to ensure that the district does not receive an amount of state and local revenue per student in average daily attendance that is greater than the following percentage of the amount described by Section 42.311(a):

- (1) 108 percent for the 2005-2006 school year;
- (2) 116 percent for the 2006-2007 school year; and
- (3) 124 percent for the 2007-2008 school year.

(b) Requires the commissioner to determine the amount of state funds required to be withheld under this section and makes the commissioner's determination final and not

SECTION 1B.24. (part) Adds Section 42.2542, Education Code, Temporary Limitations on Aid, as follows: (a) Same as House version except omits reference to *Subsection (e)* and refers to Section 42.2541(b)(1) and delays implementation so that a district does not receive an amount of state and local revenue per student in ADA that is greater than the following percentage of the amount described by Section 42.311(a):

- (1) 108 percent for the 2006-2007 school year;
- (2) 116 percent for the 2007-2008 school year; and
- (3) 124 percent for the 2008-2009 school year..

(b) Same as House version.

Sec. 42.312. Same as House version, except also delays implementation so that a district does not receive an amount of state and local revenue per student in ADA that is greater than the following percentage of the amount described by Section 42.311(a):

- (1) 108 percent for the 2006-2007 school year;
- (2) 116 percent for the 2007-2008 school year; and
- (3) 124 percent for the 2008-2009 school year.

(b) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

appealable.

(c) Excludes any amount to which a district is entitled under Subchapter *G* from a determination of the amount that it may receive.

(c) Same as House version, except refers to Subchapter *F*.

(c) Same as House version.

(d) Provides that Section 42.311(b) applies to any determinations made under this section.

No equivalent provision.

(d) Same as House version.

(e) Entitles a district to the greater of the amount to which it is entitled under Section 42.311 or the amount to which it is entitled under this section.

No equivalent provision.

(c) Same as House version.

(f) Provides that this section expires September 1, 2008.

(d) Provides that this section expires September 1, 2009.

(f) Same as Senate version.

Sec. 42.313. Distribution of Texas Education Fund. (a) For each school year the commissioner shall determine:

(1) the amount of money to which a school district is entitled under Subchapters B, C, D, and E, as adjusted in accordance with this subchapter;

(2) the amount of money to which a school district is entitled under Subchapter G;

(3) the amount of money allocated to a school district from the available school fund;

(4) the amount of a school district's tier one local share under Section 42.306; and

(5) the amount of a school district's enrichment program local revenue under Section 42.252.

SECTION 1B.22. Amends Sections 42.253(a) and (g)-(i), and adds (c-1), (e-2), and (m), Education Code, as follows:

(a) For each school year the commissioner shall determine:

(1) the amount of money to which a school district is entitled under Subchapters B and C;

(2) the amount of money to which a school district is entitled under Subchapter F;

(3) the amount of money allocated to the district from the available school fund;

(4) the amount of each district's basic program ~~[tier one]~~ local share under Section 42.252; and

(5) the amount of each district's enrichment program ~~[tier two]~~ local revenue ~~[share]~~ under Section 42.302.

Sec. 42.313. (a) Same as House version.

(b) Substantially the same as current law.

No equivalent provision.

(b) Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c) Same as current law.

No equivalent provision.

(d) Same as current law.

No equivalent provision.

(e) If a district demonstrates to the commissioner's satisfaction that the estimate of its tax rate, enrollment, or taxable property value used to determine the amount of state funds to which it is entitled are so inaccurate as to result in undue financial hardship, the commissioner may adjust its funding in that school year to the extent that funds are available. (Same as current law except strikes

No equivalent provision.

(c-1) Notwithstanding any other provision of this chapter, with the approval of the commissioner, a school district in which the number of students in average daily attendance increases as a result of enrolling students pursuant to an agreement to provide education services in cooperation with a public charter district is entitled to receive state revenue for the additional students in an amount not less than the district's total state and local revenue per student, including revenue from accreditation allotments and an enrichment program under Subchapter F, calculated on the basis of the district's average daily attendance prior to the enrollment of the additional students.

No equivalent provision.

(e-2) For the 2006-2007 school year, the limit authorized by Subsection (e) is an amount equal to the sum of the rate described by Section 42.252 and the rate described by Section 42.303(c)(1). This subsection expires September 1, 2007.

(g) As amended, same as House version.

(c) Same as House version.

Same as House version.

(d) Same as House version.

Same as House version.

(e) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

language including reserve funds as available funds.)

(f) If the total amount appropriated for a year is less than the amount of money to which school districts are entitled for that year, the commissioner shall reduce the total amount of funds allocated to each district *proportionately*. The following fiscal year, a district's entitlement under this section is increased by an amount equal to the reduction made under this subsection.

(h) If the total amount appropriated for a year for the Foundation School Program is less than the amount of money to which school districts are entitled for that year [~~legislature fails during the regular session to enact the transfer and appropriation proposed under Subsection (f) and there are not funds available under Subsection (j)~~], the commissioner shall reduce the total amount of state funds allocated to each district *from any source by an amount determined by a method under which the application of the same number of cents of increase in enrichment tax rate in all districts applied to the taxable value of property of each district, as determined under Subchapter M, Chapter 403, Government Code, together with any state aid generated by those taxes, results in a total amount of levy and aid equal to the total reduction.* The following fiscal year, a district's entitlement under this section is increased by an amount equal to the reduction made under this subsection.

(f) Same as House version.

(g) Requires the commissioner, not later than March 1 of each year, to (1) determine the actual amount of state funds to which each district is entitled for the current school year; (2) compare that amount with the amount of the warrants issued to each district for that year; and (3) if amounts differ because of variations in a district's tax rate, student enrollment, or taxable value of property, to adjust its entitlement for the next fiscal year accordingly. (Same as current law except strikes reference to allocation formulas.)

(i) As amended, same as House version.

(g) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(g-1) Requires the commissioner, not later than March 1 of each even-numbered year, to (1) identify each district in which the actual student enrollment for the current school year is at least three percent higher or lower than the estimate of student enrollment used to determine the amount of warrants issued to it for that year; (2) subject to available funding, adjust its entitlement for the next fiscal year so that it receives, during that year, warrants in the amount to which it would be entitled on the basis of a student enrollment that is three percent higher or lower, as applicable, than the estimate of student enrollment otherwise used to determine its entitlement; and (3) to the extent that money is available in the second year of a state fiscal biennium for adjustments under Subsection (g) and this subsection, to give priority to adjustments under this subsection.

No equivalent provision.

(g-1) Same as House version.

(h) Same as (j) in current law except allows the legislature to appropriate funds necessary for increases under Subsection (g) or (g-1) from funds that become available.

No equivalent provision.

(h) Same as House version.

(i) Same as (k) in current law, except requires the commissioner to compute for each district the total amount by which its allocation of state funds is increased or reduced under Subsection (g) or (g-1) and to certify that amount to the district.

No equivalent provision.

(i) Same as House version.

(j) Notwithstanding any other provision of this chapter, the commissioner may adjust the amount of funds allocated to a school district under this chapter for a school year if the

No equivalent provision.

(j) Notwithstanding any other provision of this chapter, the commissioner may adjust the amount of funds allocated to a school district under this chapter for a school year if the

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district collects less than 96 percent of the maintenance and operations taxes, *including delinquent taxes*, levied by the district during that school year.

district collects less than 96 percent of the maintenance and operations taxes levied by the district during that school year. *In making the determination regarding a district's collection rate for a school year for purposes of this subsection, the commissioner shall include any delinquent taxes collected during that year.*

No equivalent provision.

(m) Payments from the foundation school fund to each school district shall be made as follows:  
(1) 15 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;  
(2) 80 percent of the yearly entitlement of the district shall be paid in eight equal installments to be made on or before the 25th day of October, November, December, January, March, May, June, and July; and  
(3) five percent of the yearly entitlement of the district shall be paid in an installment to be made after the fifth day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1).

Same as House version.

No equivalent provision.

SECTION 1A.07. Adds Section 42.253(e-2), Education Code, relating to distribution of the foundation school fund, to reduce the limit authorized by Subsection (e) by \$0.20 for the 2005-2006 school year. This provision expires September 1, 2006. (FA1)

Same as House version.

No equivalent provision.

SECTION 1B.23. Amends Sections 42.2531(a)-(c), Education Code, relating to adjustments by the

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

commissioner, to make conforming changes.

Same as House version.

SECTION 1A.09. Adds Section 42.261, Education Code, Use of Certain Revenue for Enhanced Support Staff Compensation. (a) Beginning with the 2005-2006 school year, requires a school district to use state and local maintenance and operations revenue to provide enhanced compensation to district support staff.

No equivalent provision.

(b) Requires the commissioner to adopt rules to implement this section and to ensure, by rule, that compensation provided to district support staff described by Section 22.007 is increased by the amounts specified by that section.

Same as House version.

Sec. 42.314. Estimates Required. (a) and (b) same as Section 42.254 in current law.

No equivalent provision.

Sec. 42.314. Same as House version.

(c) Requires the agency to use a district's estimate of student enrollment, unless the agency's review of the estimate indicates that it is inaccurate. Requires the commissioner to adopt criteria for use by the agency in reviewing a district's estimate and to develop procedures for resolving significant differences between the district's estimate and any revised estimate proposed by the agency. The procedures must provide a district with an opportunity to demonstrate the basis of its estimate.

Sec. 42.315. Falsification of Records; Report. Same as Section 42.255 in current law.

No equivalent provision.

Sec. 42.315. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 42.316. Payments From Texas Education Fund. Substantially the same as Section 42.259 in current law, Foundation School Fund Transfers, except refers to the *Texas education fund* rather than to the *foundation school fund* and omits a provision in Subsection (e) that held that a payment was not invalid on the basis that it was not equal to other payments.

SECTION 8.02(1)(C) repeals Section 42.259.

Sec. 42.316. Same as House version.

Sec. 42.317. Recovery of Overallocated Funds. Same as Section 42.258 in current law.

No equivalent provision.

Sec. 42.317. Same as House version.

SUBCHAPTER I. ADDITIONAL EQUALIZATION

Sec. 42.401. Districts Subject To Additional Equalization. Requires a district whose local share under Section 42.306 exceeds its *tier one* allotment under Section 42.304 to be consolidated by the commissioner under Subchapter II, Chapter 41, except that, as an alternative to consolidation, it may elect to purchase average daily attendance credit per Subchapter D, Chapter 41.

SECTION 1B.26. Same as House version, except refers to a district's *basic program* allotment, and cites other statute sections in current law.

SUBCHAPTER I. ADDITIONAL EQUALIZATION

Sec. 42.401. Same as House version.

No equivalent provision.

No equivalent provision.

Sec. 42.402. Limitations on Aid for Certain Districts. (a) In this section, "capped district" has the meaning assigned by Section 41.0011.

(b) Notwithstanding any other provision of this subtitle, but subject to this section, the commissioner shall withhold from a district subject to Section 42.401 an amount of state funds necessary, or adjust the amount of attendance credits the district must purchase under 41.091 in the amount necessary, to ensure that the district does not receive an amount of state and local revenue per student in average

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1A.02. Adds Section 30.003(f-1), Education Code, as follows: (f-1) The commissioner shall determine the total amount that the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf would have received from school districts pursuant to this section if .B. No. \_\_\_\_, Acts of the 79th Legislature, 1st Called Session, 2005, had not reduced the districts' share of the cost of providing education services. That amount, minus any amount the schools do receive from school districts, shall be set aside as a separate account in the foundation

SECTION 5B.12. Same as House version, except refers to passage of *H.B. 2, Acts of the 79th Legislature, Regular Session, 2005*.

daily attendance that is greater than the following percent of the amount described by Section 42.311(a):  
(1) for the 2006-2007 school year, 108 percent;  
(2) for the 2007-2008 school year, 116 percent; and  
(3) for the 2008-2009 school year, 124 percent.  
(c) Notwithstanding Subsection (b) or any other provision of this subtitle, for the 2006-2007 and 2007-2008 school years, the commissioner shall withhold from a capped district an amount of state funds necessary, or adjust the amount of attendance credits the district must purchase under 41.091 in the amount necessary, to ensure that the district does not receive an amount of state and local revenue per student in average daily attendance that is greater than 108 percent of the amount described by Section 42.311(a). For the 2008-2009 and each following school year, a capped district is subject to Section 41.101.  
(d) The commissioner shall determine the amount of state funds required to be withheld, or the amount of attendance credits purchased, under this section. The commissioner's determination is final and may not be appealed.

SECTION 1B.02. Same as House version, except refers to H.B. 2 and H.B.3

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

school fund and appropriated to those schools for educational purposes.

SECTION 1A.03. Amends the heading to Chapter 41, Education Code, as follows:  
CHAPTER 41. Equalization Actions [~~Equalized Wealth Level~~]

No equivalent provision.

SECTION 1B.27. Same as House version.

No equivalent provision.

SECTION 1B.03. Same as House version.

SECTION 1B.035. Adds Sections 41.0011 and 41.0012, Education Code, to read as follows:  
Sec. 41.0011. Definition. Defines "capped district" to mean a school district that purchases attendance credits in the amount specified by Section 41.091(1).  
Sec. 41.0012. Recognition of Optional Homestead. (a) As provided by this section, entitles a district subject to commissioner action under Section 42.401, other than a district that elects to purchase attendance credits in the amount specified by Section 41.091(a)(3), to state and local funds under this chapter and Chapter 42 based on the district's taxable value of property computed in accordance with Section 403.302(d)(14), Government Code.  
(b) Requires the commissioner to make a determination as to whether a district is subject to commissioner action under Section 42.401 without recognizing the district's taxable value of property computed in accordance with Section 403.302(d)(14), Government Code.  
(c) Recognition of a district's taxable value of property computed in accordance with Section 403.302(d)(14), Government Code, does not entitle the district to state aid under Chapter 42 that the district would not be entitled to



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1A.04. Amends Section 41.004, Education Code, by amending the heading to read Annual Review of *Equalization* rather than of *Property Wealth*, and to make other conforming changes, reflecting the repeal of certain provisions of Chapter 41.

SECTION 1A.05. Amends Section 41.006(a), Education Code, relating to the commissioner's rulemaking authority with regard to implementation of Chapter 41, to make conforming statutory citation changes.

SECTION 1A.06. Amends Section 41.008(a), Education Code, relating to a homestead exemption adopted by a district consolidated under Subchapter F, Chapter 41, to make a conforming change reflecting that subchapter's repeal by this Act.

SECTION 1A.07. Amends Section 41.009(a), Education Code, relating to tax abatement agreements executed by a district that detaches or annexes territory under Chapter 41, to make a conforming change.

SECTION 1A.08. Amends Section 41.010, Education Code, Tax Increment Obligations, to make a conforming change.

SECTION 1A.09. Amends Section 41.013(a), Education Code, relating to appeals procedures, to make a conforming

SECTION 1B.28. Same as House version, except refers to *basic program allotments* rather than the tier one allotment.

SECTION 1B.29. Same as House version, except cites statute in current law.

SECTION 1B.30. Same as House version.

SECTION 1B.31. Same as House version.

SECTION 1B.32. Same as House version.

SECTION 1B.33. Same as House version.

receive in the absence of that recognition.

SECTION 1B.04. Same as House version except also makes a conforming change in requiring notification of a district that the commissioner has determined is eligible to be a capped district for the following year.

SECTION 1B.05. Same as House version.

SECTION 1B.06. Same as House version.

SECTION 1B.07. Same as House version.

SECTION 1B.08. Same as House version.

SECTION 1B.09. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

change reflecting the repeal of Subchapter G.

SECTION 1A.10. Amends Section 41.091, Education Code, Agreement, as follows: (a) "Wealth per student" means the taxable value of property in a school district, as determined under Subchapter M, Chapter 403, Government Code, divided by the quotient of the district's allotments under Subchapters B and C, Chapter 42, as adjusted in accordance with Subchapter H, Chapter 42, divided by the accreditation allotment specified in Section 42.101 for the applicable year.

(b) A school district subject to Section 42.401 [with a wealth per student that exceeds the equalized wealth level] may execute an agreement with the commissioner to purchase attendance credits in an amount equal to the lesser of: (1) the difference between the district's local share under Section 42.306 and the district's tier one allotment under Section 42.304; or (2) the amount equal to a percentage, as determined under Subsection (c), of the maintenance and operations tax revenue used in determining the district's local share under Section 42.306.

(c) The percentage under Subsection (b)(2) is an amount such that, when added to the percentile in wealth per student that is represented by the guaranteed level ("GL") under Section 42.252, equals the 125th percentile in wealth per student.

(d) Not later than March 1 of each year, the commissioner shall make an initial determination of the percentage under Subsection (b)(2) for the following school year, based on

See below.

SECTION 1B.34. Amends Section 41.091, Education Code, Agreement, as follows: A school district subject to Section 42.401 [with a wealth per student that exceeds the equalized wealth level] may execute an agreement with the commissioner to purchase attendance credits in an amount equal to the difference between the district's local share under Section ~~42.252~~ and the district's *basic program allotments* under Section ~~42.251~~ [sufficient, in combination with any other actions taken under this chapter, to reduce the district's wealth per student to a level that is equal to or less than the equalized wealth level].

See below.

SECTION 1B.10. Amends Section 41.091, Education Code, follows: (a) A school district subject to Section 42.401 [with a wealth per student that exceeds the equalized wealth level] may execute an agreement with the commissioner to purchase attendance credits in an amount equal to the lesser of: (1) the amount equal to 38 percent of the maintenance and operations tax revenue used in determining the district's local share under Section 42.306; (2) if the district elects to have the district's taxable value of property computed in accordance with Section 403.302(d)(14), Government Code, the difference between the district's local share under Section 42.306 and the sum of: (A) the district's tier one allotment under Section 42.304; and (B) other revenue to which the district is entitled under Sections 42.3051 and 42.311; and (3) if the district elects not to have the district's taxable value of property computed in accordance with Section 403.302(d)(14), Government Code, the difference between

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

the preliminary taxable values of property certified by the comptroller under Section 403.302(g), Government Code, and the estimates of student attendance in the General Appropriations Act. Not later than July 15 of each year, the commissioner shall make a final determination of the percentage that reflects the final taxable values of property certified by the comptroller under Subchapter M, Chapter 403, Government Code. The commissioner's determination of a final amount under this subsection may not be appealed.

(e) Notwithstanding Subsection (b), for the 2005-2006, 2006-2007, and 2007-2008 school years, the amount of attendance credits required to be purchased is equal to the greater of: (1) the amount required under Subsection (b); or (2) the amount equal to the percentage of the district's total maintenance and operations tax revenue that permits the district to retain the maximum revenue allowed under Section 42.312 for the applicable school year.

(f) Subsection (e) and this subsection expire September 1, 2008. [sufficient, in combination with any other actions taken under this chapter, to reduce the district's wealth per student to a level that is equal to or less than the equalized wealth level.]

SENATE VERSION

CONFERENCE

the district's local share under Section 42.306 and 104 percent of the sum of: (A) the district's tier one allotment under Section 42.304; and (B) other revenue to which the district is entitled under Sections 42.3051 and 42.311.

(b) Subsection (a)(1) applies only to a school district that levies a maintenance and operations tax at a rate at least equal to 75 percent of the maximum tax rate specified by Section 42.306.

(c) If the dollar amount guaranteed level ("GL") under Section 42.252 for a school year is greater than the amount of enrichment tax revenue available to a school district at the applicable target percentile under that section for that year, the applicable amount of state and local revenue per student in average daily attendance required to be used to purchase attendance credits as provided by Subsection (a)(1) is increased by an amount equal to the amount by which the dollar amount guaranteed level ("GL") under Section 42.252 exceeds the dollar amount of state and local revenue available per student in average daily attendance at the applicable target percentile under that section.

d) If the dollar amount guaranteed level ("GL") under Section 42.252 for a school year is less than the amount of enrichment tax revenue available to a school district at the applicable target percentile under that section, the applicable amount of state and local revenue per student in average daily attendance required to be used to purchase attendance credits as provided by Subsection (a)(1) is decreased by an amount equal to the amount by which the dollar amount guaranteed level ("GL") under Section 42.252 exceeds the dollar amount of state and local revenue available per student in average daily attendance at the

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1A.11. Amends Section 41.093(a), Education Code, relating to the cost of purchasing attendance credits, to base that cost on a district's average daily attendance rather than its *weighted* ADA.

No equivalent provision.

SECTION 1B.35. Same as House version.

No equivalent provision.

applicable target percentile under that section.  
(e) Subsections (c) and (d) apply only to a capped district. [sufficient, in combination with any other actions taken under this chapter, to reduce the district's wealth per student to a level that is equal to or less than the equalized wealth level.]

SECTION 1B.11. Same as House version.

SECTION 1B.115. Adds Section 41.101, Education Code, Minimum Tax Rates of Capped Districts. (a) Notwithstanding the percent described by Section 42.091(a)(1), revenue raised for a school year by a capped district in excess of the revenue that the capped district is permitted to raise at the minimum tax rate described by Section 41.091(b) is included in determining the district's local share for purposes of Section 42.401. For purposes of this subsection, a capped district is permitted each school year to raise the sum of: (1) 108 percent of the amount described by Section 42.311(a); and (2) an amount equal to the average increase per student in spending by all school districts in this state, other than districts subject to Section 42.401, for the preceding school year. (a-1) This section applies beginning with the 2008-2009 school year. This subsection expires September 1, 2009. (b) The commissioner by rule shall prescribe the manner by which the average increase in school district spending is

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1A.12. Amends Section 41.251, Education Code, Commissioner Order, to make a conforming change.

SECTION 1A.13. Amends Sections 41.252(a) and (c), and adds (d), Education Code, relating to criteria for the commissioner's selection of districts to be consolidated, to make conforming changes.

SECTION 1A.14. Amends Section 41.257, Education Code, Application of Small And Sparse Adjustments And Transportation Allotment, to make statutory citation changes.

SECTION 1A.15. Adds Section 44.004(c-1), Education Code, relating to notice of budget and tax rate meetings and budget adoption, to require such notice to state in a distinct row for each of the following taxes: (1) the district's proposed rate for maintenance and operations taxes, under the heading "Maintenance and Operations Tax"; (2) the

SECTION 1B.36. Same as House version.

SECTION 1B.37. Same as House version, except for citations to current law.

No equivalent provision.

No equivalent provision.

computed under Subsection (a). The rules must include the identification of areas of spending that are appropriate for inclusion in that computation.

(c) Not later than December 1, 2006, the agency shall prepare and deliver a report describing the commissioner's determinations under Subsection (b) to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer in each house of the legislature with primary jurisdiction over public education. This subsection expires January 1, 2007.

SECTION 1B.12. Same as House version.

SECTION 1B.13. Same as House version.

SECTION 1B.14. Same as House version.

SECTION 1B.15. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district's proposed rate for debt service under the heading "Interest and Sinking School Debt Service Tax Approved by Local Voters"; and (3) the district's proposed rate enrichment taxes under the heading "Local Enrichment Tax Approved by Local Voters."

SECTION 1A.16. Adds Sections 45.003(b-1) and (f), Education Code, relating to bond and tax elections, as follows:

No equivalent provision.

(b-1) Requires an election for the issuance of bonds under Section 45.001 to include as separate propositions the following categories of projects for which bonds may be issued: (1) the construction, acquisition, and equipment of instructional facilities, as defined by Section 46.001, and the purchase of sites for instructional facilities; (2) the construction, acquisition, and equipment of school buildings other than instructional facilities and the purchase of sites for those buildings; (3) the purchase of new school buses; or (4) another appropriate category for which bonds may be issued.

No equivalent provision.

SECTION 1A.12. Amends Section 45.003(d) and adds (e) and (f), Education Code, as follows:

(d) Caps the tax rate for further maintenance of public schools at not more than \$1.30 per \$100 dollars valuation, rather than the current \$1.50. (FA1)

No equivalent provision.

(e) Provides that an election held before January 1, 2005, authorizing a maintenance tax at a rate of at least \$1.30 on the \$100 valuation of taxable property in the district is sufficient to authorize a rate of \$1.30 or less for the 2005

SECTION 1B.16. Adds Section 45.003(f), Education Code, as follows. Does not add (b-1) and does not amend (d).

Same as House version.

Same as Senate version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

tax year. If the statewide referendum proposed by H.B. 3, Acts of the 79th Legislature, 1st Called Session, 2005, is approved by the voters, an election held before January 1, 2006, authorizing a maintenance tax at a rate of at least \$1.10 on the \$100 valuation of taxable property in the district is sufficient to authorize a rate of \$1.10 or less for the 2006, 2007, or 2008 tax year. If the statewide referendum proposed by H.B. 3, Acts of the 79th Legislature, 1st Called Session, 2005, is approved by the voters, and election held before January 1, 2009, authorizing a maintenance tax at a rate of at least \$1.05 on the \$100 valuation of taxable property in the district is sufficient to authorize a rate of 1.05 or less for the 2009 tax year or a subsequent tax year. (FA1)

(f) Notwithstanding any other provision of this section, prohibits a district from adopting an M&O tax rate that exceeds the sum of the maximum rate for purposes of Section 42.253 and the rate specified in Section 42.306 or otherwise provided for that section by appropriation unless that tax rate is approved by two-thirds of the qualified voters voting in an election held for that purpose. A district's adoption of a rate authorized by this subsection does not affect the limitation on a district's entitlement to enrichment revenue provided by Section 42.253. This subsection does not authorize the adoption of an M&O tax rate that exceeds the maximum rate prescribed by Subsection (d).

(f) Notwithstanding Subsections (d) and (e), if a school district's M&O tax rate for the 2004 tax year exceeded a rate of \$1.50 for each \$100 of taxable value of property, the district is entitled to impose an ad valorem tax under this section: (1) without authorization at an election held for that purpose; and (2) at a rate not to exceed the sum of: (A) the rate authorized under this section; and (B) a rate equal to the amount by which the district's M&O tax rate for the 2004 tax year exceeded a rate of \$1.50 for each \$100 of taxable value of property.

(f) Same as House version.

No equivalent provision.

SECTION 1B.38. Specifies that Article 1, Part B, applies

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

beginning with the 2006-2007 school year, except that Section 42.253(h), Education Code, as amended in Part B, applies beginning with the 2005-2006 school year.

No equivalent provision.

SECTION 1B.\_\_. Provides that SECTIONS 1B.20 and 1B.2\_ (as added by FA1) take effect only if the statewide referendum proposed by H.B. 3, Acts of the 79th Legislature, 1st Called Session, 2005, is approved by the voters. If it is not approved, those SECTIONS have no effect. (FA1)

No equivalent provision.

SECTION 1A.13. Amends Sections 45.006(b) and (f), Education Code, relating to a maintenance tax required for judgment ordering a property tax refund, to make a conforming change regarding when a district may levy, assess, and collect maintenance taxes at a rate that exceeds *the maximum maintenance tax rate permitted under Section 45.003*.

Same as House version.

SECTION 1A.17. Amends the heading to Section 26.08, Tax Code, as follows: School District Taxes And Elections [~~Election~~] To Authorize Or Ratify School Taxes.

No equivalent provision.

SECTION 1B.17. Same as House version.

SECTION 1A.18. Amends Sections 26.08(a), (b), (c), (e), (h), (i), and (j), and adds (a-1)-(a-9) and (b-1), Tax Code, as follows:

No equivalent provision.

SECTION 1B.18. Amends Sections 26.08(a), (b), (c), (e), (h), (i), and (j) and adds (a-1)-(a-5) and (b-1), Tax Code, to read as follows:

(a) Requires a school district to obtain voter approval in an election each time it adopts an M&O tax rate that exceeds the rate levied by the district in the preceding tax year.

(a) Same as House version.

(a-1) With certain exceptions, for the 2005 tax year,

(a-1) Same as House version, except in Subdivision specifies the rate equal to the sum of 80 percent of the M&O rate it adopted for the 2004 tax year.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

prohibits a district from imposing an M&O tax that exceeds the greater of: (1) the rate equal to 76 percent of the M&O rate it adopted for the 2004 tax year; or (2) the rate necessary to ensure that it receives the amount of revenue to which it is entitled under Section 42.311, Education Code, provided that the rate may not exceed \$1.15 per \$100 valuation.

(a-2) Notwithstanding Section 45.003, Education Code, and except as provided by Subsection (a-3), (a-4), (a-5), or (a-6), for the 2006 tax year, prohibits a school district from imposing an M&O tax that exceeds the greater of: (1) the rate equal to the sum of 73 percent of the M&O rate adopted by the district for the 2004 tax year and any additional rate for enrichment authorized by district voters for the 2005 tax year; or (2) the rate necessary to ensure that the district receives the amount of revenue to which the district is entitled under Section 42.311, Education Code, provided that the rate may not exceed the sum of \$1.10 on the \$100 valuation of taxable property and any additional rate for enrichment authorized by district voters for the 2005 tax year.

(a-3) For the 2005 and 2006 tax years, allows a district, without holding an additional election, to impose an M&O tax at a rate that does not exceed the lesser of the rate of \$1.15 or the rate of \$1.10 and any additional rate for enrichment authorized by district voters for the 2005 tax year, as applicable for the appropriate tax year, or the sum of the rate authorized by Subsection (a-1) or (a-2), as applicable for the appropriate tax year, and the rate of \$0.04 per \$100 valuation of taxable value, provided that the rate imposed was previously authorized by voters in an

SENATE VERSION

CONFERENCE

(a-2) For the 2006 tax year, allows a school district, without holding an additional election, to impose an M&O tax at a rate that does not exceed the lesser of the rate of \$1.20 or the sum of the rate authorized by Subsection (a-1) and the rate of \$0.04 per \$100 valuation of taxable value, provided that the rate imposed was previously authorized by voters in an election held for that purpose. A school district may impose a greater rate if the greater rate is approved by the voters in an election held after the effective date of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005.

(a-3) For the 2006 tax year, a school district permitted by Subsection (a-1) to impose a tax for the maintenance and operations of the district at the rate of \$1.20 on the \$100 valuation of taxable property may impose a tax for the maintenance and operations of the district at a higher rate if approved by the voters in an election held after the effective date of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005.

(a-4) Notwithstanding any other provision of law, a school district permitted by special law on January 1, 2006, to impose an ad valorem tax for maintenance and operations at a rate greater than \$1.50 on the \$100 valuation of taxable property in the district may, for the 2006 tax year: (1) impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.30 less than the rate adopted by the district for maintenance and operations for the 2004 tax year, provided that, notwithstanding any other provision of law, the tax authorized by this subdivision may not be considered an enrichment tax rate for purposes of Subchapter G, Chapter

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

election held for that purpose. Allows a district to impose a greater rate if the greater rate is approved by the voters in an election held after the effective date of \_\_\_B. No. \_\_\_, Acts of the 79th Legislature, 1st Called Session, 2005.

(a-4) For the 2005 and 2006 tax years, a school district permitted by Subsection (a-1) or (a-2), as applicable for the appropriate tax year, to impose a tax for the maintenance and operations of the district at the rate of \$1.15 or \$1.10, as applicable for the appropriate tax year, on the \$100 valuation of taxable property may impose an M&O tax at a higher rate if approved by the voters in an election held after the effective date of \_\_\_B. No. \_\_\_, Acts of the 79th Legislature, 1st Called Session, 2005.

(a-5) Notwithstanding any other provision of law, a school district permitted by special law on January 1, 2005, to impose an ad valorem tax for maintenance and operations at a rate greater than \$1.50 on the \$100 valuation of taxable property in the district may: (1) for the 2005 tax year: (A) impose an M&O tax at a rate not to exceed the rate that is \$0.35 less than the M&O rate adopted by the district for the 2004 tax year, provided that, notwithstanding any other provision of law, the tax authorized by this subdivision may not be considered an enrichment tax rate for purposes of Subchapter G, Chapter 42, Education Code; and (B) seek voter authorization to impose an M&O tax for purposes of Subchapter G, Chapter 42, Education Code, at a rate greater than the rate authorized by Paragraph (A), provided that the rate authorized by this subdivision may not exceed the maximum tax permitted under Subchapter G, Chapter 42, Education Code; and (2) for the 2006 and subsequent tax years: (A) continue to impose an M&O tax

42, Education Code; and (2) seek voter authorization to impose a tax for maintenance and operations for purposes of Subchapter G, Chapter 42, Education Code, at a rate greater than the rate authorized by Subdivision (1), provided that the rate authorized by this subdivision may not exceed the maximum tax permitted under Subchapter G, Chapter 42, Education Code.

(a-5) Subsections (a-1), (a-2), (a-3), (a-4), and this subsection expire January 1, 2008.

(b) If the governing body of a school district with a maintenance and operations tax rate of less than the rate specified in Section 42.306 or otherwise provided by appropriation for purposes of that section adopts a tax rate that exceeds the district's rollback tax rate, the registered voters of the district at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

at a rate not to exceed the rate that is \$0.40 less than the M&O rate adopted by the district for the 2004 tax year, provided that, notwithstanding any other provision of law, the tax authorized by this subdivision may not be considered an enrichment tax rate for purposes of Subchapter G, Chapter 42, Education Code; and (B) seek voter authorization to impose an M&O tax for purposes of Subchapter G, Chapter 42, Education Code, at a rate greater than the rate authorized by Paragraph (A), provided that the rate authorized by this subdivision may not exceed the maximum tax permitted under Subchapter G, Chapter 42, Education Code.

(a-6) Subsections (a-1), (a-2), (a-5), and (a-8) do not apply to a school district operating under former Chapter 26, Education Code, as it existed on May 1, 1995, as permitted under Section 11.301, Education Code.

(a-7) Provides that all actions taken by a school district's board of trustees before the effective date of this Act that are necessary to hold an election after the effective date of this Act are validated as of the effective date of this Act.

(a-8) A school district that has adopted a tax rate for the 2005 tax year before the effective date of the amendment to this section by   .B. No.   , Acts of the 79th Legislature, 1st Called Session, 2005, must adopt a new tax rate for the 2005 tax year that is consistent with Subsections (a-1)-(a-5).

(a-9) Provides that Subsections (a-1), (a-2), (a-3), (a-4), and (a-8), and this subsection expire January 1, 2007.

(b) Substantially the same as Subsection (a) in current law, except that it makes the provision applicable to the governing body of a school district with an M&O tax rate

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

of less than the rate specified in Section 42.306 or otherwise provided by appropriation for purposes of that section.

(b-1) Same as Subsection (b) in current law, except makes a conforming citation change.

(c), (e), (h), and (i) Substantially the same as current law, except for conforming citation changes.

(j) For purposes of Subsection (i), the amount of state funds that would have been available to a school district in the preceding year is computed using the district's tax rate for that year.

SECTION 1A.19. Adds Section 31.01(b-1), Tax Code, relating to tax bills, to require a tax bill or the statement accompanying the tax bill, to state in a distinct row for each of the following taxes: (1) the M&O tax rate and the amount of tax due under that rate, under the heading "Maintenance and Operations Tax"; (2) the debt service tax rate and the amount of tax due under that rate, under the heading "Interest and Sinking School Debt Service Tax Approved by Local Voters"; and (3) the rate for the enrichment tax and the amount of tax due under that tax rate, under the heading "Local Enrichment Tax Approved by Local Voters."

No equivalent provision.

SECTION 1B.19. Same as House version.

SECTION 1A.20. Adds Section 311.013(n), Tax Code, relating to the collection and deposit of tax increments to a tax increment fund, to require additional deposits to the fund by the comptroller. The additional amount is the amount by which the amount the district would have been

No equivalent provision.

SECTION 1B.20. Adds Section 311.013(n), Tax Code, *as amended by S.B. 771, Acts of the 79th Legislature, Regular Session, 2005.* to read as follows: (n) This subsection applies only to a school district whose taxable value computed under Section 403.302(d), Government Code, is

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

required to pay into the fund for the current year under the agreement if the district levied taxes at the district's 2004 tax rate exceeds the amount the district is otherwise required to pay into the fund for the current year. This subsection applies only to a reinvestment zone created before September 1, 1999, for which a district enters into an agreement to pay a portion of the tax increment produced by the district into the tax increment fund established for the zone. This subsection ceases to apply to the reinvestment zone on the later of the dates specified by Sections 311.017(a)(1) and (2) for the reinvestment zone.

SECTION 1A.21. Adds Sections 403.302(c-1) and (c-2), Government Code, relating to the comptroller's determination of school district property values. (c-2) provides that (c-1) and (c-2) expire September 1, 2007.

SENATE VERSION

SECTION 1A.14. Same as House version, except does not add (c-2), making (c-1) a permanent provision.

CONFERENCE

reduced in accordance with Subdivision (5) of that subsection. In addition to the amount otherwise required to be paid into the tax increment fund, the district shall pay into the fund an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2004 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction, not to exceed the amount the school district realizes from the reduction in the school district's taxable value under Section 403.302(d)(5), Government Code. This subsection ceases to apply to the school district on the earlier of the dates specified by Sections 311.017(a)(1) and (2) for the reinvestment zone.

SECTION 1B.21. Same as House version, except also adds Subsection 403.302(d-1) and amends (d) and (i) Government Code, as follows

(d) In determining "taxable value: for a school district for which a deduction from taxable value is made under Subdivision (4), the following is also subtracted from the market value of all taxable property: an amount equal to the taxable value required to generate revenue when taxed at the school district's current tax rate in an amount that, when added to the taxes of the district paid into a tax increment fund as described by Subdivision (4)(B), is equal to the total amount of taxes the district would have paid into the tax increment fund if the district levied taxes at the rate the district levied in 2004

(d-1) For a school district for which in the 2004 tax year a

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1A.22 Provides that Section 45.003(b-1), Education Code, as added by this Act, applies only to an election on the issuance of school district bonds for which the election order is issued on or after September 1, 2005.

PART B. SCHOOL FACILITIES

No equivalent provision.

No equivalent provision.

No equivalent provision.

PART C. SCHOOL FACILITIES

SECTION 1C.01. Adds Section 45.0561, Education Code, Priority for Certain Bonds, to require the commissioner, in determining which bonds to approve for guarantee, to give priority to a district that has had bonds refunded and defeased. Grants the commissioner rulemaking authority.

SECTION 1C.02. Adds Section 46.006(c-1), Education Code, and amends (d), relating to shortage or excess of appropriations for new projects, to reduce a district's wealth per student by 25 percent for purposes of this section if it has had significant student enrollment growth that the commissioner determines is substantially related to the

deduction from taxable value is made under Subsection (d)(5), the comptroller shall certify to the commissioner of education a final taxable value for the 2004 tax year, calculated as if the reduction in the school district's ad valorem tax rate and the method of calculating the amount of the deduction from taxable value under Subsection (d)(5) required by H. B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005, took effect January 1, 2004. This subsection expires September 1, 2006.

(i) Makes conforming changes to citations.

SECTION 1B.22 Provides that, except as otherwise provided, this Part takes effect September 1, 2006.

PART C. SCHOOL FACILITIES

Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

enrollment of children of military personnel transferred to a nearby military base following the closure or realignment of another military base. The reduction is in addition to any reduction under this section and is computed before its wealth per student is reduced, if applicable.

SECTION 1B.01. Adds Section 46.014, Education Code, Study Regarding Instructional Facilities, as follows. (a) Requires the *LBB*, in cooperation with the agency, to study existing instructional facilities in this state.

SECTION 1C.04. Adds Section 46.014, Education Code, Study Regarding Instructional Facilities. (a) Requires the *comptroller*, in cooperation with the agency, to study: (1) existing instructional facilities in this state; and (2) the projected need for instructional facilities in the next 10 to 20 years.

SECTION 1C.02. (a) Same as House version.

(b) Requires the study to include an examination of the following objectives and any other objectives determined appropriate by the *LBB* and the agency:

- (1) information relating to the date of construction or age of existing instructional facilities;
- (2) information relating to the condition of existing instructional facilities, including dates of the most recent major renovations;
- (3) a determination of the number of school districts and campuses that have student populations that exceed the state average for enrollment growth, including, if appropriate, a determination of:
  - (A) the number of portable buildings in use by each school district and campus;
  - (B) the square footage of instructional facility space per student; and
  - (C) the number of instructional facilities that are serving a

(b) Requires the study to include an examination of the following objectives and any other objectives determined appropriate by the *comptroller* and the agency:

- (1) a determination as to which of the following needs of school districts in this state relating to instructional facilities are the most pressing:
  - (A) the need for new instructional facilities;
  - (B) the need for repairs to existing instructional facilities;
  - (C) the need for renovations of existing instructional facilities; and
  - (D) other needs relating to instructional facilities;
- (2) an estimate of the total cost of necessary construction, repair, or renovation of instructional facilities in the next 10 to 20 years;
- (3) a determination of the number of school districts and campuses that have student populations that exceed the maximum capacity of the districts' or campuses'

(b) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

number of students that exceeds the maximum capacity of the facility;

(4) a determination of the extent to which instructional facilities in this state are energy and water use efficient; and

(5) a determination of the extent of a school district's bonded indebtedness relating to facilities or replacement costs.

classrooms, cafeterias, or gymnasiums, including if appropriate a determination of:

(A) the number of portable buildings in use by each school district and campus;

(B) the square footage of instructional facility space per student; and

(C) the number of instructional facilities that are serving a number of students that exceeds the maximum capacity of the facility; and

(4) a determination of the extent to which instructional facilities in this state are energy and water use efficient.

No equivalent provision.

(c) Requires the study, in projecting the need for instructional facilities in the next 10 to 20 years, to determine the facilities that will need to be constructed, repaired, or renovated in this state, and sets forth items that may be included in the study.

Same as House version.

(c) Requires the *LBB* and the agency to determine the appropriate methodology for use in conducting the study required by this section.

(d) Requires the *comptroller* and the agency to determine the appropriate methodology for use in conducting the study required by this section.

(c) Same as House version.

(d) Requires the *LBB* and the agency to submit to the legislature a report based on the study required by this section not later than December 1, 2006. This section expires January 15, 2007.

(e) Requires the *comptroller* and the agency to submit to the legislature a report based on the study required by this section not later than December 1, 2006. This section expires January 15, 2007.

(d) Same as House version.

SECTION 1B.02. Adds Sections 44.0411 and 44.0412, Education Code, as follows:  
Sec. 44.0411. Safety Equipment Provision in Contracts.

No equivalent provision.

Same as Senate version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(a) A school district shall include in each contract for construction of a school facility a requirement that the contractor ensure that school crossing zones, reduced-speed signs with flashing lights, and any safety equipment required for the facility and school campus to comply with law in effect at the time the contract is entered into are installed not later than the 30th day before the date that the facility is scheduled to open. If there is more than one contract for construction of the facility, the district shall include the appropriate safety equipment requirement in each appropriate contract.

(b) A school district shall include in each contract for repair, rehabilitation, or alteration of a school facility a requirement that the contractor ensure that any safety equipment required by law in effect at the time the contract is entered into and needed in connection with the portion of the facility on which the repair, rehabilitation, or alteration is performed is installed in a timely manner. If there is more than one contract for repair, rehabilitation, or alteration of the facility, the district shall include the appropriate safety equipment requirement in each appropriate contract.

(c) Any safety equipment or device installed in compliance with this section must comply with the requirements and specifications of the manual adopted under Section 544.001, Transportation Code, as the manual exists at the time the contract for construction is entered into.

Sec. 44.0412. Notice To Texas Department Of Transportation Or Local Road Authority Required. (a) In this section, "local road authority" means the local governmental entity responsible for the construction,

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

repair, and maintenance of a public highway or street.

(b) Not later than the 15th day after the date that a school district approves a plat for construction of a school facility or applies for a building permit for a school facility, whichever is earlier, the district shall deliver notice of the proposed facility construction to: (1) the Texas Department of Transportation, if the facility will adjoin a highway or street that is part of the state highway system; and (2) the local road authority, if the facility will adjoin a highway or street that is not a part of the state highway system.

(c) The school district shall coordinate with the Texas Department of Transportation or local road authority, as applicable, to determine the traffic needs associated with the proposed school facility.

(d) The Texas Department of Transportation or the local road authority, as applicable, must approve all devices and safety equipment included in a contract for the construction of a school facility under Section 44.0411(a).

SECTION 1B.03. Amends Section 46.008, Education Code, Standards, to provide that, to be eligible for financing with state or local tax funds, any portable, modular building capable of being relocated that is purchased or leased after *September 1, 2005*, for use as a school facility, regardless of whether the building is an industrialized building as defined by Section 1202.003, Occupations Code, must be inspected as provided by Subchapter E, Chapter 1202, Occupations Code, to ensure compliance with the mandatory building codes or approved designs, plans, and specifications.

SECTION 1C.03. Same as House version.

SECTION 1C.01. Same as House version, except applies to any portable, modular building capable of being relocated that is purchased or leased after *November 1, 2005*.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1B.04. (a) Provides that Section 44.0411, Education Code, as added by this Act, applies to any contract entered into by a school district for construction, repair, rehabilitation, or alteration of a school facility on or after the effective date of this Act.  
(b) Provides that Section 44.0412, Education Code, as added by this Act, applies to any contract entered into by a school district for construction of a school facility on or after the effective date of this Act.

No equivalent provision.

Same as Senate version.

No equivalent provision.

SECTION 1C.05. Amends Section 46.033, Education Code, Eligible Bonds, to make school district bonds eligible to be paid with state and local funds if the district made payments on the bonds during the 2004-2005 school year or included related debt service taxes in its audited debt service collection for that school year, and it did not receive an instructional facilities allotment.

Same as House version.

No equivalent provision.

SECTION 1C.06. Amends Section 46.034(c), Education Code, relating to limits on assistance, to limit state aid based on the amount of a district's bond payments during the 2004-2005 school year or its debt service collection for that year.

Same as House version.

No equivalent provision.

SECTION 1C.07. Adds Subchapter D, Chapter 46, Education Code, Refunding To Increase Permanent School Fund Capacity, as follows:

Same as House version.

No equivalent provision.

Sec. 46.091. Definitions. Defines "Allocated revenue," "Authority," "Authority obligation," "Credit agreement,"

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

and "Obligation administrative expenses."

No equivalent provision.

Sec. 46.092. Issuance of Authority Obligations. (a) Provides that, if the commissioner determines that it is feasible to refund eligible school district bonds as provided by this subchapter, the commissioner may request that the authority issue authority obligations necessary to accomplish the refunding. On request of the commissioner, the authority shall issue authority obligations, in accordance with Title 9, Government Code, in an amount sufficient to: (1) refund eligible bonds; (2) pay all obligation administrative expenses; (3) pay the costs of issuing the authority obligations; (4) pay the costs of any credit agreement; and (5) provide any reserve funds. (b) Requires authority obligations and any related credit agreements to be secured by allocated revenue. (c) Requires the commissioner's request for the issuance of authority obligations to state: (1) the maximum principal amount of bonds to be refunded under this subchapter; (2) the maximum term of bonds to be refunded; and (3) the amount of state assistance under Subchapter A or B to support the payment of the bonds to be refunded. (d) To best achieve the economic goals of this subchapter and accomplish the borrowing at the lowest practicable cost, allows the authority to determine: (1) the method of sale of authority obligations; (2) the type and form of obligation; (3) the maximum interest rates and other terms of authority obligations; and (4) the need for related credit agreements. (e) Requires the authority to certify to the commissioner that each series of authority obligations issued under this

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

subchapter will result in an aggregate present value savings.

(f) Provides that Section 46.007 does not apply to the issuance of authority obligations under this subchapter.

No equivalent provision.

Sec. 46.093. Eligibility of Bonds for Refunding. Provides that school district bonds are eligible for refunding under this subchapter if: (1) the district receives state assistance for payment of the bonds under Subchapter A or B; and (2) the principal and interest of the bonds are guaranteed by the permanent school fund under Subchapter C, Chapter 45.

Same as House version.

No equivalent provision.

Sec. 46.094. Identification of Eligible Bonds; Notice To School Districts. (a) Requires the commissioner, if the commissioner determines that it is feasible to refund eligible school district bonds as provided by this subchapter, to periodically identify which outstanding school bonds are eligible for refunding under this subchapter and to notify the school districts issuing the bonds that: (1) the bonds are subject to being refunded and defeased through the issuance of authority obligations; and (2) a school district whose bonds are refunded under this subchapter is entitled to priority in the allocation of resulting increases in the capacity of the permanent school fund to guarantee school district bonds under Subchapter C, Chapter 45, as provided by Section 45.0561.

Same as House version.

(b) Authorizes the district to elect to direct the commissioner to include any of the district's eligible bonds for consideration for refunding under this subchapter. If the district does not elect to direct the commissioner to include

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

the district's bonds for consideration for refunding within the time prescribed by this subsection, the bonds may not be refunded under this subchapter.

(c) Requires notice under Subsection (a) to: (1) identify the bonds the commissioner proposes to refund under this subchapter; (2) state that the school district may elect to direct the commissioner to include any of the district's bonds for consideration for refunding; and (3) advise the district of: (A) the effect of electing to have the bonds considered for refunding; and (B) the effect of not electing to have the bonds considered for refunding.

No equivalent provision.

Sec. 46.095. Agreement Between Commissioner And Authority. (a) Provides that, to permit the authority to pledge allocated revenue to the payment of authority obligations, the commissioner shall enter into an agreement with the authority under which: (1) the commissioner, acting on behalf of each school district whose bonds are being refunded under this subchapter, may pledge the allocated revenue to secure the payment of the principal of and interest and premium on authority obligations; and (2) each school year, the commissioner shall allocate and distribute to the authority allocated revenue equal to the scheduled debt service payments for that year on the bonds being refunded.

(b) Requires an agreement under this section to state that the funding for allocated revenue is subject to legislative appropriation. A distribution to the authority under the agreement is considered to be a distribution for purposes of Section 46.009. If the commissioner determines that the amount appropriated for any year for allocated revenue is

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

	insufficient, the commissioner may act under Section 46.009(b) to ensure the sufficiency of allocated revenue.	
No equivalent provision.	Sec. 46.096. Use of Proceeds of Authority Obligations. (a) Requires the authority to use the proceeds of authority obligations, less the cost of issuing those obligations and the cost of administrative expenses incurred by the commissioner or the authority relating to the administration of this subchapter, to refund and defease eligible bonds as requested by the commissioner. To accomplish the refunding and defeasance: (1) the commissioner, on behalf of the school districts issuing the bonds, may: (A) exercise any reserved right of optional redemption; and (B) issue any required notice of redemption and defeasance; and (2) the authority, on behalf of the districts issuing the bonds, may enter into escrow agreements and purchase escrow securities as provided by Chapter 1207, Government Code, with the same effect under that chapter as if the authority were the issuer of the bonds being refunded and defeased. (b) Requires the authority to provide to a school district whose bonds are refunded under this subchapter appropriate documentation showing that the bonds have been refunded and defeased.	Same as House version.
No equivalent provision.	Sec. 46.097. Payment of Obligation Administrative Expenses. Allows the authority to use allocated revenue to pay obligation administrative expenses after paying the current debt service on authority obligations.	Same as House version.
No equivalent provision.	Sec. 46.098. Distribution of Allocated Revenue In Excess	Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

of District's Entitlement To State Assistance. (a) Provides that, if the commissioner allocates and distributes to the authority allocated revenue for a school district's bonds refunded under this subchapter in an amount in excess of the state assistance to which the district is entitled in connection with all of the district's bonds, the district shall reimburse the commissioner in the amount of the excess.

(b) If a school district elects not to reimburse the commissioner in the amount of excess state assistance as required under Subsection (a), the commissioner shall direct the comptroller to withhold the amount of the excess from the succeeding payment of state assistance payable to the school district and credit the amount to the account or accounts from which the excess payment was made.

(c) Allows a school to reimburse the commissioner under this section from any lawfully available source.

No equivalent provision.

Sec. 46.099. Refunding of Authority Obligations. Authorizes the authority to issue authority obligations to refund any previously issued authority obligations if the authority by resolution determines that the issuance of refunding obligations will result in the lowest practicable borrowing cost to the state and school districts with outstanding eligible bonds.

Same as House version.

No equivalent provision.

Sec. 46.100. Authority Obligations Not A Pledge of State's Credit. (a) Specifies that authority obligations and any related credit agreements are not: (1) a debt of the state, a state agency, or a political subdivision of the state; or (2) a pledge of the faith and credit or taxing power of the state, a

Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

state agency, or a political subdivision of the state.  
(b) Specifies that authority obligations and any related credit agreements are payable solely from allocated revenue pledged to the payment of those obligations.  
(c) Provides that, subject to the limitations of Subsection (a), as long as authority obligations are outstanding, the state may not: (1) take any action to limit or restrict the authority's responsibility to pay the authority obligations; or (2) in any way impair the rights and remedies of the owners of authority obligations.  
(d) Provides that the reallocation of allocated revenue to secure authority obligations to refund school district bonds is: (1) consistent with the original authorization, allocation, and application of state assistance under Subchapter A or B; (2) in furtherance of any covenants, agreements, or undertakings by school districts or the commissioner to cause allocated revenue to be credited to debt service funds for school district bonds; and (3) consistent with all statutory and regulatory dedications and restrictions on the allocated revenue.

No equivalent provision.

No equivalent provision.

SECTION 1C.03. Provides that this part takes effect November 1, 2005.

**PART C. SOCIAL SECURITY CONTRIBUTIONS**

No equivalent provision.

**PART D. SOCIAL SECURITY CONTRIBUTIONS**

SECTION 1C.01. Adds Section 606.0261, Government Code, Payment of School District Contributions, as follows: (a) Requires the state to pay 50 percent of the total costs incurred by a school district in making

No equivalent provision.

SECTION 1D.01. Same as House version, except also adds Subsection (a-1) to provide that Subsection (a) applies beginning with the 2008-2009 school year. Requires the state to pay 16 percent of the costs described by Subsection

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

contributions for social security coverage for district employees.

(b) Limits payment of such state assistance to: (1) districts that covered employees under the social security program before January 1, 2005; and (2) contributions made on behalf of employees in a class of employees covered before January 1, 2005.

(c) Requires the commissioner, using funds appropriated for the purpose, to distribute money to which districts are entitled under this section in accordance with commissioner rules.

ARTICLE 2. EDUCATION EXCELLENCE  
PART A. EDUCATION EMPLOYEES

ARTICLE 2. EDUCATION EXCELLENCE  
PART A. EDUCATION EMPLOYEES

SECTION 2A.01. Adds Section 11.163(f), Education Code, relating to employment policy, to prohibit the employment policy from restricting the ability of a school district employee to communicate directly with a member of the board of trustees regarding a matter relating to the operation of the district, except that the policy may prohibit: (1) communication during: (A) the employee's regular working hours at the district; or (B) the operating hours of a district campus; and (2) ex parte communication relating to: (A) a hearing under Subchapter E or F, Chapter 21; and (B) another appeal or hearing in which ex parte communication would be inappropriate pending a final decision by a school district board of trustees.

No equivalent provision.

(a) for the 2006-2007 school year and 33 percent of those costs for the 2007-2008 school year. This subsection expires September 1, 2009.

SECTION 2A.01. Same as House version.

SECTION 2A.02. Adds Section 11.203, Education Code,

SECTION 2A.02. Same as House version, except as

SECTION 2A.02. Same as House version, except as

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

School Leadership Pilot Program for Principals, as follows:

(a) Requires the agency to develop and *implement* a school leadership pilot program for principals in cooperation with a nonprofit corporation that has substantial experience in developing best practices to improve leadership skills, student achievement, student graduation rates, and teacher retention *among diverse student populations*.

(b) Requires the agency to consult *business schools, departments, or programs* at institutions of higher education to develop program course work that focuses on management and business training *and ethnic diversity*.

(c) Authorizes a principal or a person interested in becoming a principal to apply for participation in the program, in a form and manner determined by the commissioner.

(d) Requires a principal of a campus rated academically unacceptable, as well as any person employed to replace that principal, to participate in the program and complete the program requirements not later than a date determined by the commissioner.

(e) Requires the commissioner, to pay the costs of administering the program, to retain a portion of the total amount of funds allotted under the Foundation School

follows:

(a) Requires the agency to develop and *operate* a school leadership pilot program for principals *in accordance with this section*.

(b) Requires the agency to *operate* the program in cooperation with a nonprofit corporation that has substantial experience in developing best practices to improve leadership skills, student achievement, student graduation rates, and teacher retention.

(c) Requires the agency to consult *appropriate departments* at institutions of higher education to develop program course work that focuses on management and business training.

(d) - (e) Same as House version.

(f) Same as House version, except references Section 42.253 rather than Section 42.313.

follows:

(a) Same as House version, except omits *among diverse populations*.

(b) Same as House version.

(c) - (d) Same as House version.

(e) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Program that the commissioner considers appropriate to finance activities under this section and shall reduce the total amount of state funds allocated to each district from any source in the same manner described for a reduction in allotments under Section 42.313.

No equivalent provision.

(f) Authorizes the commissioner, to implement and administer the program, to accept grants, gifts, and donations from public and private entities.

(g) Authorizes the commissioner to adopt rules necessary to administer this section.

(h) Requires the agency, during the first semester of the 2008-2009 school year, to evaluate the effectiveness of the program in developing and enhancing the ability of principals participating in the program to provide school leadership and improve student achievement and graduation rates and teacher retention. Not later than January 1, 2009, the agency shall submit a report explaining the results of the study to the governor, lieutenant governor, speaker of the house of representatives, and the presiding officers of the standing committees of each house of the legislature with primary jurisdiction over public education.

No equivalent provision.

(g) - (h) Same as House version.

No equivalent provision.

(e-1) For the state fiscal biennium beginning September 1, 2005, the amount set aside under Subsection (e) may not exceed \$3.6 million. This subsection expires August 31, 2007.

(f) - (g) Same as House version.

(h) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(i) Provides that this section expires September 1, 2010.

(i) Same as House version.

(i) Same as House version.

No equivalent provision.

SECTION 2A.04. Amends Sections 21.045(a) and (b), Education Code, and adds (c) as follows:

(a) Adds the following to the criteria to be used in the standards governing the approval and continuing accountability of such programs: (3) performance of students taught by beginning teachers, as determined on the basis of annual individual student growth in achievement, as measured under Section 39.034, and any other factor considered appropriate by the board; and (4) retention rates of beginning teachers in the profession.

(b) Excludes the data relating to Subsection (a)(3) from the required data elements that must be included, at a minimum, in each educator preparation program's annual performance report.

(e) Requires the agency annually to submit student performance data to the SBEC for purposes of Subsection (a)(3) and to provide the data to the board in a manner that protects the names of individual students and otherwise complies with certain confidentiality requirements.

SECTION 2A.04. Same as Senate version, except also amends Subsection (b) to require each educator preparation program to submit data elements as required by the *commissioner*, rather than as required by the board, and does add the provisions in Subsection (e).

No equivalent provision.

SECTION 2A.05. Amends Section 21.104(a), Education Code, relating to discharge or suspension without pay under a probationary contract, to allow a teacher employed under a probationary contract to be discharged at any time for a financial exigency that requires a reduction in personnel. Deletes a qualifier on the definition of good cause.

SECTION 2A.05. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 2A.06. Adds Section 21.1041, Education Code, Hearing for Certain Discharges Under Probationary Contract, to require a board of trustees, if it proposes to discharge a teacher for a financial exigency that requires a reduction in personnel, to give written notice of the proposed action to the teacher. Establishes procedures for a hearing if the teacher desires one after receiving notice of the proposed discharge, and requirements for board actions after the hearing. Also establishes requirement for board actions if no hearing is requested.

SECTION 2A.06. Same as Senate version.

No equivalent provision.

SECTION 2A.07. Adds Section 21.2111, Education Code, Hearing for Certain Discharges Under Term Contract, to require a board of trustees, if it proposes to discharge a teacher for a financial exigency that requires a reduction in personnel, to give written notice of the proposed action to the teacher. Establishes procedures for a hearing if the teacher desires one after receiving notice of the proposed discharge, and requirements for board actions after the hearing. Also establishes requirement for board actions if no hearing is requested.

SECTION 2A.07. Same as Senate version.

SECTION 2A.03. Amends Section 21.207(b), Education Code, relating to a hearing under a term contract. If the proposed nonrenewal is for a necessary reduction in personnel due to a financial exigency or program change adopted by the board, the hearing may be conducted before a hearing examiner pursuant to rules adopted by the board, provided that the board is provided a transcript of the hearing and proposed findings of fact and conclusions of

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

law before the board makes a final decision on the proposed nonrenewal..

SECTION 2A.04. Adds Section 21.062, Education Code, Confidentiality and Disclosure of Certain Information, as follows: (a) Provides that the following information is confidential, is not subject to public release under Chapter 552, Government Code, and may be disclosed only as provided by this section and applicable federal or state law: (1) a report of alleged or suspected educator misconduct made under this subchapter; and (2) the files, reports, records, communications, audiotapes, videotapes, and working papers used or developed in an investigation under this subchapter.  
(b) Entitles an educator who is the subject of an investigation by the board under this subchapter to examine and make copies of any information described by this section if it directly relates to the investigation.

No equivalent provision.

Same as Senate version.

No equivalent provision.

SECTION 2A.08. Amends Section 21.251, Education Code, Applicability, to provide that provisions relating to hearings before a hearing examiner regarding certain board decisions do not apply to a decision to terminate a teacher's probationary contract or term contract before the end of the contract period for a financial exigency that requires a reduction in personnel.

SECTION 2A.08. Same as Senate version.

No equivalent provision.

SECTION 2A.09. Amends Section 21.301(a), Education Code, relating to appeals to the commissioner, to allow a teacher to appeal a decision by a board to terminate the

SECTION 2A.09. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

teacher's probationary contract for a financial exigency by filing a petition with for review of the decision not later than the 20th day after the date the board of trustees or board advises the teacher of its decision.

No equivalent provision.

SECTION 2A.10. Amends Section 21.303(a), Education Code, relating to determination by commissioner, to prohibit the commissioner from substituting the commissioner's judgment for that of a board of trustees on an appeal of the board's decision to terminate a teacher's probationary contract under Section 21.1041(c) or (d) or term contract under Section 21.2111(c) or (d), unless the decision was arbitrary, capricious, or unlawful or is not supported by substantial evidence.

SECTION 2A.10. Same as Senate version.

SECTION 2A.05. Amends Sections 21.402(a), (c), and (d) and adds (c-1) and (c-2), Education Code, relating to the minimum salary schedule, as follows:

SECTION 2A.11. Amends Sections 21.402(a), (c), and (d) and adds (a-1), (a-2), (c-1), (c-2), and (d-1), Education Code, as follows:

SECTION 2A.11. Same as House version, except also adds (a-1) and (a-2) and makes other changes as follows:

(a) Deletes the formula used to compute the minimum salary for specified professional staff, which included as a multiplier certain salary factors, and, with some exceptions in Subsections (d) and (f), requires each district to pay certain employees not less than the minimum monthly salary, which is based on the employee's level of experience, is as *prescribed by Subsection (c)*.

(a) Amends the formula as follows:  
$$MS = SF \times \underline{AA} [FS]$$

(a) Same as House version, except also includes the exceptions in added Subsections (a-1) and (a-2).

where:  
"MS" is the minimum monthly salary and "SF" is the applicable salary factor specified by Subsection (c), but "AA" (the accreditation allotment) replaces "FS" (the amount, as determined by the commissioner, of state and local funds per weighted student available to a district eligible to receive state assistance under Section 42.302 with an enrichment tax rate, as defined by Section 42.302, equal to the maximum rate authorized under Section



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

42.303).

No equivalent provision.

(a-1) Provides that a district is not required to pay the minimum salary to an educator who receives a service retirement annuity under Chapter 824, Government Code.

(a-1) Same as Senate version.

No equivalent provision.

(a-2) Provides that a district is not required to pay the minimum salary to an educator who does not hold a lifetime or standard certificate and who holds a probationary, temporary, or emergency educator certificate.

(a-2) Same as Senate version.

(c) The *minimum monthly salary under this section is as follows:*

Years Experience	0	1	2
Monthly Salary	<u>\$2,524</u> [-5656]	<u>\$2,581</u> [-5790]	<u>\$2,639</u> [-5924]
Years Experience	3	4	5
Monthly Salary	<u>\$2,696</u> [-6058]	<u>\$2,817</u> [-6340]	<u>\$2,938</u> [-6623]
Years Experience	6	7	8
Monthly Salary	<u>\$3,059</u> [-6906]	<u>\$3,172</u> [-7168]	<u>\$3,278</u> [-7416]
Years Experience	9	10	11
Monthly Salary	<u>\$3,379</u> [-7654]	<u>\$3,473</u> [-7872]	<u>\$3,564</u> [-8082]
Years Experience	12	13	14
Monthly Salary	<u>\$3,649</u> [-8284]	<u>\$3,728</u> [-8467]	<u>\$3,805</u> [-8645]
Years Experience	15	16	17
Monthly Salary	<u>\$3,876</u> [-8844]	<u>\$3,944</u> [-8970]	<u>\$4,008</u> [-9119]
Years Experience	18	19	20 and over
Monthly Salary	<u>\$4,068</u> [-9260]	<u>\$4,126</u> [-9394]	<u>\$4,180</u> [-9520]

(c) The *salary factors per step are as follows:*

Years Experience	0	1	2
Salary Factor	<u>.6451</u> [-5656]	<u>.6584</u> [-5790]	<u>.6719</u> [-5924]
Years Experience	3	4	5
Salary Factor	<u>.6851</u> [-6058]	<u>.7133</u> [-6340]	<u>.7414</u> [-6623]
Years Experience	6	7	8
Salary Factor	<u>.7695</u> [-6906]	<u>.7958</u> [-7168]	<u>.8205</u> [-7416]
Years Experience	9	10	11
Salary Factor	<u>.8440</u> [-7654]	<u>.8658</u> [-7872]	<u>.8870</u> [-8082]
Years Experience	12	13	14
Salary Factor	<u>.9067</u> [-8284]	<u>.9251</u> [-8467]	<u>.9430</u> [-8645]
Years Experience	15	16	17
Salary Factor	<u>.9595</u> [-8844]	<u>.9753</u> [-8970]	<u>.9902</u> [-9119]
Years Experience	18	19	20 and over
Salary Factor	<u>1.004</u> [-9260]	<u>1.018</u> [-9394]	<u>1.030</u> [-9520]

(c) The *minimum monthly salary under this section is as follows:*

Years Experience	0	1	2
Monthly Salary	<u>\$2,574</u> [-5656]	<u>\$2,631</u> [-5790]	<u>\$2,689</u> [-5924]
Years Experience	3	4	5
Monthly Salary	<u>\$2,746</u> [-6058]	<u>\$2,867</u> [-6340]	<u>\$2,988</u> [-6623]
Years Experience	6	7	8
Monthly Salary	<u>\$3,109</u> [-6906]	<u>\$3,222</u> [-7168]	<u>\$3,358</u> [-7416]
Years Experience	9	10	11
Monthly Salary	<u>\$3,429</u> [-7654]	<u>\$3,523</u> [-7872]	<u>\$3,614</u> [-8082]
Years Experience	12	13	14
Monthly Salary	<u>\$3,699</u> [-8284]	<u>\$3,778</u> [-8467]	<u>\$3,855</u> [-8645]
Years Experience	15	16	17
Monthly Salary	<u>\$3,926</u> [-8844]	<u>\$3,994</u> [-8970]	<u>\$4,058</u> [-9119]
Years Experience	18	19	20 and over
Monthly Salary	<u>\$4,118</u> [-9260]	<u>\$4,176</u> [-9394]	<u>\$4,230</u> [-9520]

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c-1) For the *2005-2006* school year, entitles specified professional staff to a monthly salary at least equal to the sum of: (1) the monthly salary they would have received for the 2005-2006 school year under the district's salary schedule for the 2004-2005 school year, if that schedule had been in effect for the 2005-2006 school year, including any local supplement and any money representing a career ladder supplement an employee would have received in the 2005-2006 school year; and (2) *\$100*.

(c-2) Provides that Subsection (c-1) and this subsection expire September 1, 2006.

No equivalent provision.

(d) Entitles specified professional staff employed by a school district in the *2005-2006* school year, as long as they are employed by the same district, to a salary at least

(c-1) Same as House version, except applies to the *2006-2007* school year and the monthly salary is at least equal to the sum of: (1) the monthly salary the employee would have received for the 2005-2006 school year under the district's salary schedule for the 2004-2005 school year, if that schedule had been in effect for the 2005-2006 school year, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2005-2006 school year; and (2) *\$350*.

No equivalent provision.

(c-2) Provides that Subsections (c) and (c-1) apply beginning with the 2006-2007 school year, contingent on the immediate effect of H.B. No. 3. Requires the commissioner to compute salary factors under (c) and the amounts under (c-1)(2), as necessary, for the 2005-2006 and 2006-2007 school years to reflect the following monthly salary increases, relative to the preceding school year, for those employees:

- (1) for the 2005-2006 school year: (A) if H.B. No. 3 does not take effect immediately, \$150; and (B) if H.B. No. 3 takes effect immediately, \$200; and
- (2) for the 2006-2007 school year, \$150.

(d) Same as House version, except refers to the *2006-2007* school year.

(c-1) Similar to House version, except increase the amount in Subdivision (2) from \$100 to \$150.

(c-2) Same as House version.

Same as House version.

(d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

equal to the salary they received for the 2005-2006 school year.

No equivalent provision.

SECTION 2A.06. Adds Section 21.4021, Education Code, State Policy Regarding Teacher Compensation Above Minimum Salary Schedule, as follows: (a) Allows each district to compensate and have the ability to compensate any teacher above the minimum salary based on the teacher's ability to improve the academic achievement of students.

(b) Allows and encourages a district to consider (1) the teacher's ability to improve student academic achievement; (2) the grade level or subject taught; (3) skills required beyond basic teaching skills; and (4) the teacher's assignment, including whether the teacher is assigned to a subject or school that is difficult to staff.

(c) Allows and encourages a district to provide additional compensation to a teacher who substantially contributes to improvement in student achievement.

No equivalent provision.

(d-1) Allows specified professional staff to elect to receive not more than \$1,000 of their annual salary as health care supplementation per Chapter 1580, Insurance Code.

No equivalent provision.

No equivalent provision.

Same as House version.

SECTION 2A.12. Same as House version.

SECTION 2A.13. Adds Section 21.4031, Education Code, Salary Supplement for Certain Retirement-Eligible Classroom Teachers. (a) Provides that the following amounts are in addition to those to which a teacher is entitled under Section 21.402.

(b) Provides that, a classroom teacher, other than an

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

employed retiree, is entitled to an annual supplement equal to (1) \$1,000 for a year in which the sum of the teacher's age and years of service credit in the Teacher Retirement System of Texas equals at least 80 but less than 85; (2) \$2,000 for a year in which the sum of the teacher's age and years of service credit in the Teacher Retirement System of Texas equals at least 85 but less than 90; (3) \$3,000 for a year in which the sum of the teacher's age and years of service credit in the Teacher Retirement System of Texas equals at least 90 but less than 95; and (4) \$4,000 for a year in which the sum of the teacher's age and years of service credit in the Teacher Retirement System of Texas equals at least 95.

(c) Provides that, if a person is entitled to a salary supplement under a provision of Subsection (b) for only part of a year, the amount of the salary supplement shall be prorated accordingly.

(d) Allows the Teacher Retirement System of Texas to release information to the agency, at the agency's request, about a system member or a retiree that the system's executive director finds is necessary to determine a person's eligibility for a supplement under this section. Provides that the information remains confidential after its release to the agency.

(e) Entitles a school district to state funds in an amount equal to the sum of the salary supplements to the district's classroom teachers are entitled under this section. Funding a district receives under this section is in addition to any funding it receives under Chapter 42. Requires the commissioner to distribute funds under this section with the Foundation School Program payment to which the district

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2A.07. Amends Sections 21.405(a) and (c), Education Code, relating to a duty-free lunch, to include a full-time school nurse in those provisions previously applicable only to a classroom teacher or full-time librarian.

SECTION 2A.08. Adds Section 21.458, Education Code, Mentors, as follows:

- (a) Allows each district to assign a mentor teacher to each classroom teacher who has less than two years of teaching experience under certain conditions.
- (b) Requires the commissioner to adopt administrative rules and sets forth requirements for those rules.

(c) Requires the commissioner to develop proposed rules under Subsection (b) by negotiated rulemaking as provided by Chapter 2008, Government Code.

(d) Requires the commissioner, from the funds appropriated to the agency for purposes of this section, to adopt rules and provide funding to school districts that

No equivalent provision.

SECTION 2A.12. Same as House version, except as follows:

a) - (b) Substantially the same as House version.

(c) Same as House version.

(d) - (e) Same as House version.

is entitled as soon as practicable after the end of the school year. A Chapter 41 district is entitled to funding under this section. Requires the commissioner to determine the timing of the distribution of funds to a district that does not receive FSP payments

Same as Senate version.

SECTION 2A.14. Same as House version.

a) - (b) Substantially the same as House version, except in Subsection (b) the commissioner's rules regarding qualifications for services as a mentor must require a teacher to have at least three complete years of teaching experience with a *superior* record of assisting students in achieving growth in student performance rather than a *proven* record.

No equivalent provision.

(c) - (d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

assign mentor teachers under this section. Provides certain funding restrictions.

(e) Requires the commissioner, in adopting rules under Subsection (d), to rely on research-based mentoring programs that, through external evaluation, have demonstrated success.

No equivalent provision.

(f) Provides that if insufficient funds are appropriated to the agency for purposes of this section, the commissioner shall, in providing funding under this section, give preference to a school district: (1) that has an unsatisfactory teacher retention rate; (2) that has an unsatisfactory high school graduation rate; (3) that has an unsatisfactory dropout rate; or (4) in which a high percentage of district students perform unsatisfactorily on assessment instruments administered under Section 39.023.

Same as House version.

No equivalent provision.

(g) Requires the commissioner annually to evaluate the effectiveness of school district mentor programs established under this section. The evaluation must consider: (1) the performance of students in districts that assign mentor teachers under this section on assessment instruments administered under Section 39.023; (2) the districts' high school graduation rates; and (3) the districts' teacher attrition rates.

Same as House version.

SECTION 2A.09. Adds Subchapter N to Chapter 21, Education Code, Educator Excellence Incentive Program, as follows:

SECTION 2A.13. Same as House version, except as follows:

SECTION 2A.15. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 21.651. Educator Excellence Incentive Program, as follows:

(a) Requires the commissioner to establish an educator excellence incentive program under which school districts, in accordance with locally developed plans approved by the commissioner, provide incentive payments to employees who demonstrate superior success in growth in student achievement.

No equivalent provision.

(b) Requires a school district each year to use an amount equal to at least one percent of the district's total professional staff payroll to provide incentive payments to employees in accordance with this subchapter.

Sec. 21.651. Same as House version, except as follows:

(a) Same as House version, except the incentive payments are to employees *whose students demonstrate successful annual individual student growth in achievement*

(b) Requires the commissioner, from funds appropriated for the purpose of this subchapter, to award incentive payments to each school district with a local incentive plan approved by the commissioner. The commissioner shall distribute the incentive payments each year to a qualifying school district on the basis of the district's actual average daily attendance for the preceding school year. The total amount of incentive payments made to school districts from funds appropriated for the incentive program under this subchapter may not exceed \$100 million each fiscal year.  
(b-1) Prohibits the commissioner from awarding incentive payments to school districts under this subchapter before the 2006-2007 school year. This subsection expires September 1, 2007.

(c) Requires each year a school district, except as provided by Subsections (d) and (e), to use funds received by the district under this subchapter to provide campus-based incentive payments in accordance with this subchapter.

Sec. 21.651. Same as House version.

(a) Same as House version.

Same as House version.

(b) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

(d) Authorizes a school district with an enrollment of less than 1,600 to use all of the funds received under this subchapter to provide stipends under Subsection (c).

Same as House version.

(c) Authorizes incentive payments under this subchapter to be used to: (1) encourage classroom teachers to:  
(A) teach at campuses with high percentages of educationally disadvantaged students;  
(B) serve as mentors to new teachers in accordance with Section 21.458; or  
(C) receive appropriate certification to teach in a curriculum subject area in which the district is experiencing a shortage of qualified teachers; or  
(2) further the goals of any other locally designed performance incentive program intended to improve student achievement.

(e) Authorizes a school district to use an amount not to exceed 50 percent of the funds received under this subchapter to provide stipends to:  
(1) teachers who are certified in a curriculum subject area in which the district is experiencing a shortage of qualified teachers, as determined by the commissioner;  
(2) teachers who serve as mentors in accordance with Section 21.458;  
(3) teachers who are assigned, during the first three years of the assignment, to a campus that is difficult to staff, according to standards established by the board of trustees of the district, including a rural or academically unacceptable campus; and  
(4) teachers who are certified by the National Board for Professional Teaching Standards or who are seeking that certification.

(c) Same as House version.

(d) Requires the commissioner to adopt rules necessary to implement this subchapter. In adopting rules, the commissioner shall:  
(1) encourage local flexibility in designing incentive plans that promote student achievement; and  
(2) *for purposes of Subsection (b), determine which staff members are included as professional staff.*

(f) Requires the commissioner to adopt rules necessary to implement this subchapter. In adopting rules, the commissioner shall:  
(1) *include criteria and guidelines for evaluating local incentive plans; and*  
(2) encourage local flexibility in designing local incentive plans that promote student achievement.

(d) Same as House version.

No equivalent provision.

(g) Requires the commissioner to annually evaluate the

Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

effectiveness of the educator excellence incentive program for improving student performance on at-risk campuses established under this section. The evaluation must consider: (1) the performance of students in districts and participating campuses under this section on assessment instruments administered under Section 39.023; (2) the districts' and participating campuses' high school graduation and completion rates; and (3) the districts' and participating campuses' teacher attrition rates.

Sec. 21.652. Minimum Criteria for Local Incentive Plans, as follows:

(a) Requires a school district to develop a local incentive plan for rewarding successful *incremental growth in student achievement* in the district and submit the plan to the commissioner for approval.

(b) Requires a local incentive plan to be designed to reward *individuals, campuses, or organizational units such as grade levels at elementary schools or academic departments at high schools*.

(c) Requires a local incentive plan to provide for incentive payments to classroom teachers and authorizes it to provide for incentive payments to other employees.

(d) Provides that the primary criteria for making incentive payments to employees under a local incentive plan must be based on objective measures of student achievement,

Sec. 21.652. Same as House version, except as follows:

(a) Requires a school district to develop a local incentive plan for rewarding successful *annual individual student growth in achievement* in the district and submit the plan to the commissioner for approval.

(b) Requires a local incentive plan to be designed to reward campuses.

No equivalent provision.

(c) Provides that the primary criteria for making incentive payments to employees under a local incentive plan must be based on objective measures of student achievement,

Sec. 21.652. Same as House version.

(a) Same as House version.

(b) Same as House version.

(c) Same as House version.

(d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

including a measure of *incremental growth in student achievement* under Section 39.034, and the plan must provide for incentive payments to be awarded on the basis of high achievement, incremental growth in achievement, or both. A local incentive plan may also consider other indicators of employee performance, such as teacher evaluations conducted by principals or parents.

including a measure of *annual individual student growth in achievement* under Section 39.034, and the plan must provide for incentive payments to be awarded on the basis of high achievement, incremental growth in achievement, or both. A local incentive plan may also consider other indicators of employee performance, such as teacher evaluations conducted by principals or parents.

(e) Requires a local incentive plan to: (1) be developed through a process that includes participation of classroom teachers in the school district; and (2) be approved by the district-level planning and decision-making committee.

(d) - (e) Same as House version.

(c)- (f) Same as House version.

(f) Requires the campus-level planning and decision-making committee to determine the appropriate distribution of funds received by a campus under this subchapter.

Sec. 21.653. Employment Contracts, as follows:

Sec. 21.653. Same as House version, except as follows:

Sec. 21.653. Same as House version.

(a) Requires a school district to provide in employment contracts that qualifying employees may receive an incentive payment under the local incentive plan.

(a) Same as House version.

(a) Same as House version.

(b) Requires the district to indicate that any incentive payment distributed is considered a *payment* for performance and not an entitlement as part of an employee's salary.

(b) Requires the *school* district to indicate that any incentive payment distributed is considered a *bonus* for performance and not an entitlement as part of an employee's salary.

(b) Same as House version.

Sec. 21.654. *Decision by Board of Trustees*. Provides that a decision *by the board of trustees or the board's designee* in providing an incentive payment under a local incentive

Sec. 21.654. *Decision Regarding Incentive Payments*. Provides that a decision in providing an incentive payment under a local incentive plan approved under this subchapter

Sec. 21.654. *Decision by Commissioner or Committee*. Provides that a decision *by the commissioner of the district-level planning and decision-making committee in*

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

plan approved under this subchapter is final and may not be appealed.

No equivalent provision.

SECTION 2A.10. Adds Section 22.056, Education Code, Professional Liability Insurance for Classroom Teachers, as follows: (a) Requires the commissioner, using funds appropriated or otherwise available for the purpose, to make available to each classroom teacher, at no cost, professional liability insurance.  
(b) Requires the commissioner to obtain the insurance required to be made available by this section: (1) in an amount determined appropriate by the commissioner; and (2) from one or more insurers authorized to engage in the

SENATE VERSION

is final and may not be appealed.

SECTION 2A.14. Adds Section 22.007, Education Code, Wage Increase for Support Staff, to require a school district each school year to pay each full-time district employee, other than an administrator or an employee subject to the minimum salary schedule under Section 21.402, an amount at least equal to \$1,000. Requires a district each school year to pay each part-time district employee, other than an administrator, an amount at least equal to \$500. Entitles an employee entitled to a wage increase under this section to elect to receive a portion of the person's annual wages as health care supplementation as provided by Chapter 1580, Insurance Code, and specifies that a payment under this section is in addition to wages the district would otherwise pay the employee during the school year.

No equivalent provision.

CONFERENCE

*approving a local incentive plan or by a campus-level planning and decision-making committee* in providing an incentive payment under a local incentive plan approved under this subchapter is final and may not be appealed.

Same as House version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

business of insurance in this state.

(c) Provides that the insurance made available by this section is in addition to the liability insurance provided by the employing district under a general liability policy.

(d) Grants the commissioner rulemaking authority.

SECTION 2A.11. Adds Section 29.019, Education Code, Speech-Language Instruction: Assistants.

SECTION 2A.12. Amends Section 21.002(a), Education Code, relating to teacher employment contracts, to include a licensed athletic trainer among those employees that a district may employ under a probationary contract, a continuing contract, or a term contract.

SECTION 2A.13. Amends Section 21.003(a), Education Code, relating to required certification, to prohibit a person from being employed as an educational diagnostician by a district unless the person holds an appropriate certificate or permit issued as provided by Subchapter B.

No equivalent provision.

SECTION 2A.15. Same as House version.

No equivalent provision.

SECTION 2A.03. Same as House version.

SECTION 2A.16. Effective September 1, 2006, adds Section 54.220, Education Code, Children of Classroom Teachers, to provide a tuition or fee exemption to an eligible undergraduate who is a child of an eligible classroom teacher and establishes eligibility requirements, both for initial and continuing eligibility. A teacher earns an exemption for one child after 15 years of service, and an additional exemption for one academic year for one child

SECTION 2A.17. Same as House version.  
(Note: SECTION 2A.16 is across from SECTION 21.01 in PART I in Senate version.)

Same as Senate version.

SECTION 2A.03. Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

for each year of service over the 15-year mark. Requires the Texas Higher Education Coordinating Board to adopt rules and a uniform application form for an exemption under this section, and requires the legislature to account in the General Appropriations Act for these exemptions in a manner that provides a corresponding increase in the general revenue funds appropriated to the institution granting an exemption. Establishes student eligibility requirements specific to the 2006-2007, 2007-2008, and 2008-2009 academic years.

No equivalent provision.

SECTION 2A.14. Requires the commissioner, *as soon as possible after September 1, 2005*, to review the rules adopted under Section 21.044, Education Code, relating to educator training requirements and revise those rules as necessary to ensure that the training requirements are sufficient to produce educators capable of satisfying the increased standards for highly qualified educators prescribed by the No Child Left Behind Act, complying with certification standards in this state, and teaching students in a manner that results in the highest level of student performance.

(b) Requires the commissioner, in conducting the review to give specific attention to the degree to which educator training requirements prepare educators to serve students of limited English proficiency and students with learning disabilities.

SECTION 2A.17. Saving provision for Section 11.201(e), Education Code, as added by this Act.

SECTION 2A.18. Same as House version, except imposes these requirements on the State Board for Educator Certification.

Same as House version

SECTION 2A.18. Same as House version, except requires the review *not later than January 1, 2006*.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 2A.19. Provides that Sections 21.104, 21.251, 21.301, and 21.303, Education Code, as amended by this Act, and Sections 21.1041 and 21.2111, Education Code, as added by this Act, apply only to a discharge under a probationary or term contract for which written notice of the proposed discharge is given to a teacher on or after September 1, 2005. A discharge under a probationary or term contract for which written notice of the proposed discharge is given to a teacher before September 1, 2005, is governed by the law in effect when the notice is given, and the former law is continued in effect for that purpose.

SECTION 2A.19. Same as Senate version.

No equivalent provision.

SECTION 2A.20. Provides that Section 21.402(a-1), Education Code, as added by this Act, does not apply to the salary of an educator employed under a contract entered into before the effective date of this Act.

SECTION 2A.20. Same as Senate version.

No equivalent provision.

SECTION 2A.21. Provides that Section 21.402(a-2), Education Code, as added by this Act, does not apply to the salary of an educator employed under a contract entered into before the effective date of this Act.

SECTION 2A.21. Same as Senate version.

No equivalent provision.

SECTION 2A.22. Requires the Texas Higher Education Coordinating Board to adopt rules and forms for the administration of Section 54.220, Education Code, as added by this Act, not later than January 1, 2006.

Same as House version.

PART B. STATE AND REGIONAL GOVERNANCE

PART F. STATE AND REGIONAL GOVERNANCE

SECTION 2B.01. Adds Section 1.005, Education Code,

No equivalent provision.

SECTION 2B.01. Same as House version, except changes

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

Education Research Centers; Sharing Student Information, as follows: (a) Defines "center."

(b) Allows the commissioner of education and the commissioner of higher education to establish not more than three centers for education research for conducting research described by Subsections (e) and (f).

(c) Allows a center to be established as part of: (1) the TEA; (2) the THECB; or (3) a public junior college, public senior college or university, or public state college.

(d) Allows a center to be operated under a memorandum of understanding between the commissioner of education, the commissioner of higher education, and the governing board of the college or university.

(e) Requires a center to conduct research for the benefit of education in this state, including research relating to the impact of state and federal education programs, the performance of educator preparation programs, public school finance, and the best practices of school districts with regard to classroom instruction, bilingual education programs, special language programs, and business practices.

(f) Provides that the commissioner of education and the commissioner of higher education: (1) under the memorandum of understanding described by Subsection (d), may require a center to conduct certain research projects considered of particular importance to the state, as determined by the commissioners; and (2) not later than the 45th day before the date a research project required to be conducted under this subsection is scheduled to begin, shall notify the governor, the Legislative Budget Board, and the governing body of the educational institution in

SENATE VERSION

CONFERENCE

the reference to SBEC in Subsection (g) to refer instead to the Educators' Professional Practices Board and adds Subsection (j) to allow the commissioner, in implementing this section, to use funds appropriated to the agency and available for that purpose, including Foundation School Program funds.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

which the center is established that the research project is required.

(g) Allows a center to use student performance data, including confidential data, from TEA, THECB, SBEC, any public or private college or university, and any school district, and requires the center to comply with rules adopted by the commissioners to protect the confidentiality of student information.

(h) Allows the commissioners to accept gifts and grants for center operations and, by rule, impose reasonable fees for the use of a center's research, resources, or facilities.

(i) This section does not authorize the disclosure of student information that may not be disclosed under federal law.

(j) Requires the commissioners to adopt necessary rules.

SECTION 2B.02. (a) Amends Section 7.004, Education Code, as amended by H.B. No. 1116, Acts of the 79th Legislature, Regular Session, 2005, to read as follows:

Sec. 7.004. Sunset Provision. (a) Provides that the Texas Education Agency is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the agency is abolished September 1, 2017. Strikes certain language from H.B. No. 1116.

(b) Requires a review conducted under Chapter 325, Government Code (Texas Sunset Act), in accordance with this section to include a review of the regional education service centers under Chapter 8.

SECTION 2B.03. Adds Section 7.007, Education Code,

SECTION 2F.01. Same as House version, except amends Section 7.004, Education Code, only.

SECTION 2B.02. Same as House version.

No equivalent provision. *(But see SECTION 2C.01, where*

SECTION 2B.03. Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Public Education Information Management System (PEIMS). Substantially the same as Section 42.006 in current law.

*Section 7.007 is added as Public Access to PEIMS Data.)*

SECTION 2B.04. Adds Section 7.008, Education Code, Electronic Student Records System, as follows:

SECTION 2B.01. Falls under Part B, Administrative Efficiency. Same as House version except as follows:

SECTION 2B.04. Same as House version, except as follows:

(a) Defines "institution of higher education."

(a) Same as House version.

(a) Same as House version.

(b) Requires each school district, *public charter district*, and institution of higher education to participate in an electronic student records system that satisfies standards approved by the commissioner of education and the commissioner of higher education.

(b) Same as House version, except refers to an *open-enrollment charter* school instead of a public charter district.

(b) Same as House version.

(c) Requires the electronic student records system to permit an authorized state or district official or an authorized representative of an institution of higher education to electronically transfer to and from an educational institution in which the student is enrolled and retrieve student transcripts, including information concerning a student's: (1) course or grade completion; (2) *teachers of record*; (3) assessment instrument results; and (4) *receipt of special education services, including placement in a special education program and the individualized education program developed*.

(c) Requires the electronic student records system to permit an authorized state, district, *or school* official or an authorized representative of an institution of higher education to electronically transfer and retrieve *student information generally found in* student transcripts, including information concerning a student's course or grade completion and assessment instrument results, to and from an educational institution in which the student is enrolled.

(c) Same as House version.

(d) Allows the commissioner of education or the commissioner of higher education to solicit and accept grant funds to maintain the electronic student records

(d) Same as House version, except refers to an open-enrollment charter school instead of a public charter district.

(d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

system and to make it available to school districts, *public charter districts*, and institutions of higher education.

(e) Requires the electronic student records system to identify public school students within the following categories on an individual and aggregated basis by region and demographic group: (1) enrolled in the state; (2) transferred out of state; (3) transferred to a private or home school; (4) graduated from high school; (5) deceased; or (6) dropout.

(f) Allows a private or independent college or university to participate in the electronic student records system. If a private or independent college or university elects to participate, it must provide the funding to participate in the system.

(g) Provides that any person involved in the transfer and retrieval of student information under this section is subject to any state or federal law governing the release of or providing access to any confidential information to the same extent as the educational institution from which the data is collected. A person may not release or distribute the data to any other person in a form that contains confidential information.

(h) Requires the electronic student records system to be implemented not later than the beginning of the 2006-2007 school year. Provides that this subsection expires September 1, 2007.

SECTION 2B.05. Adds Section 7.0211, Education Code,

No equivalent provision.

(e) - (g) Same as House version.

SECTION 2F.03. Same as House version.

Same as Senate version.

(e) - (g) Same as House version.

SECTION 2B.05. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Gifts, Grants, or Donations.

SECTION 2B.06. Amends Section 7.028, Education Code, as renumbered by Section 23.001(9), H.B. No. 2018, Acts of the 79th Legislature, Regular Session, 2005, Limitation on Compliance Monitoring to delete a reference to Section 39.074, Education Code and to make conforming changes to reflect Chapter 11A, governing public charter district, as added by Article 4 of this Act.

SECTION 2B.07. Adds Section 7.033, Education Code, Comprehensive Monitoring System.

SECTION 2B.08. Amends Sections 7.057(a) and (d), Education Code, relating to parental notification regarding certain teacher assignments, to make a conforming change.

SECTION 2B.09. Adds Section 7.0571, Education Code, Informal Review By Commissioner, to require the commissioner to adopt rules under which a school district, *public charter district*, or other person that wishes to challenge an agency decision made under Chapter 39, 41, 42, or 46 must petition the commissioner for an informal review by the commissioner of the decision. Allows the commissioner to limit a review under this section to a written submission of any issue identified by the commissioner. Provides that a final decision under this section is final and may not be appealed under Section 7.057 or any other law.

SECTION 2F.04. Redesignates Section 7.027, Education Code, as added by Chapter 201, Acts of the 78th Legislature, Regular Session, 2003, as Section 7.028, Education Code, Limitation on Compliance Monitoring. Deletes only the statutory citation to Section 39.073.

SECTION 2F.05. Same as House version. (*See also SECTION 2B.03, where Sec. 7.033 is added as Quality Management Certification Program.*)

SECTION 2F.06. Same as House version.

SECTION 2F.07. Same as House version, except refers to an *open-enrollment charter school* instead of a public charter district.

SECTION 2B.06. Same as House version.

SECTION 2B.07. Same as House version.

SECTION 2B.08. Same as House version.

SECTION 2B.09. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

No equivalent provision.

SECTION 2B.095. Adds Section 7.061, Education Code, Subpoena, as follows: (a) allows the commissioner to issue a subpoena to compel the attendance and testimony of a witness or the production of materials relevant to an audit or investigation under this title.  
(b) Provides that a subpoena may be issued throughout the state and may be served by any person designated by the commissioner.  
(c) If a person fails to comply with a subpoena issued under this section, allows the commissioner, acting through the attorney general, to file suit to enforce the subpoena in a district court in Travis County or in the county in which the audit or investigation is conducted and requires the court order compliance with the subpoena if it finds that good cause exists to issue the subpoena.

SECTION 2B.10. Adds Subchapter E, Chapter 7, Education Code, Performance-Based Grant System, as follows:

Sec. 7.151. Performance-Based Grant System.

Sec. 7.152. Grant Program Procedures.

Sec. 7.153. Grant Eligibility Notification.

Sec. 7.154. Application for State-Funded Formula Grants.

Sec. 7.155. Availability of Grant Information.

Sec. 7.156. Best Practices Grant Information.

Sec. 7.157. Development of Grant System.

Sec. 7.158. Grant Administration During Certain School Years; Status Report.

SECTION 2F.08. Same as House version.

SECTION 2B.10. Same as House version.

SECTION 2B.11. Adds Section 8.0031, Education Code,

SECTION 2F.09. Same as House version.

SECTION 2B.11. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Training for Members of Board of Directors.

SECTION 2B.12. Amends Sections 8.051(b), (c), and (d), Education Code, relating to regional education service center core services, as follows:

(b) Requires each regional education service center to annually develop and submit to the commissioner for approval a plan for improvement. Requires each plan to include the purposes and description of the services the center will provide to: (1) campuses rated academically unacceptable under Section 39.072; (2) the lowest-performing campuses in the region; and (3) other campuses.

(c) Requires each regional education service center to provide services that enable school districts to operate more efficiently and economically, including collecting and disseminating: (1) best practices information as provided by Section 7.010; and (2) information concerning successful grant programs to school districts as provided by Section 7.156.

(d) Requires each regional education service center to maintain core services for purchase by school districts and campuses. The core services are: (1) training and assistance in teaching each subject area assessed under Section 39.023; (2) training and assistance in providing each program that qualifies for a *special education, compensatory education, bilingual education, or gifted and talented student funding allotment under Subchapter C,*

SECTION 2F.10. Same as House version, except as follows:

(b) - (c) Same as House version.

(d) Requires each regional education service center to maintain core services for purchase by school districts and campuses. The core services are: (1) training and assistance in teaching each subject area assessed under Section 39.023; (2) training and assistance in providing each program that qualifies for a *funding allotment under Section 42.151, 42.152, 42.153, or 42.156;* (3) assistance specifically designed for a school district or campus rated

SECTION 2B.12. Same as House version.

(b) - (c) Same as House version.

(d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

*Chapter 42*; (3) assistance specifically designed for a school district or campus rated academically unacceptable under Section 39.072; (4) training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees; (5) assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency's most recent compliance review of the district's special education programs; and (6) assistance in complying with state laws and rules.

academically unacceptable under Section 39.072; (4) training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees; (5) assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency's most recent compliance review of the district's special education programs; and (6) assistance in complying with state laws and rules.

SECTION 2B.13. Amends Section 8.102, Education Code, Data Reporting, to mandate that the uniform reporting system require regional education service centers to use standard accepted cost accounting practices approved by the commissioner for reporting all expenditures and identify and report each expenditure separately by purpose as educational, support, or administrative.

No equivalent provision.

SECTION 2B.13. Same as House version.

SECTION 2B.14. Amends Section 8.103, Education Code, Annual Evaluation, to require the commissioner, in the annual audit of each regional education service center's finances, to verify that the center has identified each expenditure separately by purpose as educational, support, or administrative; to make the annual evaluation of each center for a fiscal year available to the public not later than January 1 following that fiscal year; and to provide a copy of the evaluation to any person upon a written request.

No equivalent provision.

SECTION 2B.14. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2B.15. Adds Section 11.003, Education Code, Administrative Efficiency, as follows:

(a) Requires the commissioner, not later than December 1, 2005, to evaluate the feasibility of including a uniform indicator under Section 39.202(b) that measures effective administrative management through the use of cooperative shared service arrangements. If the commissioner determines that the adoption of a uniform indicator described by this subsection is feasible, the commissioner by rule shall include the indicator in the financial accountability rating system under Subchapter I, Chapter 39, for school districts beginning with the 2006-2007 school year. This subsection expires September 1, 2007.

(b) Requires each regional education service center to: (1) notify each school district served by the center regarding the opportunities available through the center for cooperative shared service arrangements within the center's service area; and (2) evaluate the need for cooperative shared service arrangements within the center's service area and consider expanding center-sponsored cooperative shared service arrangements.

(c) Provides that a school district that enters into an agreement for a cooperative shared service arrangement described by Subsection (a) is entitled to keep any money the district saves as a result of reduced costs or increased efficiencies under the arrangement.

(d) Requires each regional education service center to

SENATE VERSION

SECTION 2B.04. Falls under Part B, Administrative Efficiency. Same as House version, except as follows:

(a) - (b) Same as House version.

No equivalent provision.

(c) Same as House version.

CONFERENCE

SECTION 2B.15. Same as House version.

(a) - (b) Same as House version.

Same as Senate version.

(c) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

assist a school district board of trustees in entering into an agreement with another district or political subdivision, a regional education service center, or an institution of higher education as defined by Section 61.003, for a cooperative shared service arrangement regarding administrative services, including transportation, food service, purchasing, and payroll functions.

(e) Authorizes the commissioner to: (1) *adopt by rule reasonable incentives to encourage school districts and public charter districts to enter into agreements for a cooperative shared service arrangement*; and (2) require a district or a *public charter district* to enter into an agreement for a cooperative shared service arrangement if the commissioner determines that the financial management performance of the district is unsatisfactory.

No equivalent provision.

SECTION 2B.16. Adds Sections 29.0162, 29.0163, and 29.0164, Education Code, as follows:

(d) Authorizes the commissioner to require a district or an *open-enrollment charter school* to enter into an agreement for a cooperative shared service arrangement if the commissioner determines that the financial management performance of the district *or school* is unsatisfactory.

No equivalent provision.

SECTION 2F.11. Same as House version, except as follows:

(d) Same as House version.

SECTION 2B.16. Adds Section 28.0022, Education Code, Curriculum Review; Alignment with Instructional Materials and Assessment Program, to require the State Board of Education to adopt a five-year cycle for reviewing the essential knowledge and skills of the required curriculum. Prohibits the board from modifying the curriculum in a manner that benefits a specific publisher of instructional materials or another vendor of educational products or technology. Expresses legislative intent.

SECTION 2B.17. Same as House version, except as follows:



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

Sec. 29.0162. Information Regarding Special Education Due Process Hearings. (a) Requires the agency to make available to a parent, student, school district, attorney, or other interested person, and to place on the agency's Internet website, comprehensive, easily understood information *in English and Spanish* concerning the special education due process hearing process.

(b) Requires the information described by Subsection (a) to include: (1) a description of the steps in the due process hearing process; (2) the text of any applicable administrative, procedural, or evidentiary rule; (3) a description of any notice requirements; (4) an explanation of options for alternative dispute resolution, including mediation; (5) an explanation of a resolution session; (6) answers to frequently asked questions; and (7) other sources of information, including electronic sources of information, such as special education case law available on the Internet.

Sec. 29.0163. Collection and Analysis of Information Concerning Special Education Hearing Officers.

Sec. 29.0164. Special Education Hearing Officer: Conflict of Interest Provisions. Prohibits a special education hearing officer from accepting employment or compensation from a school district during a school year in which the hearing officer presides over a hearing to which the district is a party.

SECTION 2B.17. Adds Section 37.008(o), Education

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SENATE VERSION

Sec. 29.0162. Same as House version, except omits the requirement that the information be in English and Spanish.

Sec. 29.0163. Same as House version.

No equivalent provision.

SECTION 2C.10. Adds Section 37.008(n), Education

121

CONFERENCE

Sec. 29.0162. Same as Senate version.

Sec. 29.0163. Same as House version.

Sec. 29.0164. Same as House version.

SECTION 2B.18. Same as House version.

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Code, relating to the reporting of students placed in disciplinary alternative education programs.

Code. Same as House version.

SECTION 2B.18. Adds Section 37.085, Education Code, Report on Bullying and Discrimination, to require the agency to collect data on the reasons for and prevalence of bullying and discrimination in public schools and to deliver a report on the data collected describing the results to the legislature not later than January 1, 2007. Also requires the commissioner to set aside the amount necessary to pay costs associated with this section from amounts appropriated for allotments under Section 42.152, and reduce each district's allotments under that section proportionately. Provides that this section expires June 1, 2007.

No equivalent provision.

Same as Senate version.

No equivalent provision.

SECTION 2F.12. Adds Sections 61.076(c) and (d), Education Code, relating to cooperation between state agencies of education. (c) Requires the P-16 Council, on or before January 1, 2007, to: (1) review existing school district programs that provide high school students with the opportunity to enroll in advanced academic courses offered through dual credit and concurrent enrollment programs, including reviewing courses currently approved by districts and offered by institutions of higher education for dual and concurrent enrollment credit; (2) review the high school curriculum required for the recommended high school program and study the feasibility of offering a revised curriculum that would provide graduating high school students with at least 12 hours of advanced academic

Same as House version.

NOTE: These provisions were added by H.B. 2808, Acts of the 79th Legislature, Regular Session, 2005.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

courses or college level coursework offered through dual credit and concurrent enrollment programs provided under agreements between high schools and institutions of higher education; and (3) prepare and deliver a report based on the review and study to the governor, the lieutenant governor, the speaker of the house of representatives, and the chair of each legislative committee with primary jurisdiction over public education.  
(d) Provides that Subsection (c) and this subsection expire January 2, 2007.

PART C. SCHOOL DISTRICT GOVERNANCE AND OTHER OPERATIONS

PART C. SCHOOL DISTRICT GOVERNANCE AND OTHER OPERATIONS

SECTION 2C.01. Adds Section 4.003, Education Code, Compliance With Certain Unfunded State Mandates Not Required, as follows:

No equivalent provision.

Same as Senate version.

(a) Defines "H.B. No. 2 mandate" and "unfunded H.B. No. 2 mandate."

(b) Requires the LBB, in cooperation with the commissioner, conduct a study to identify each H.B. No. 2 mandate and any unfunded H.B. No. 2 mandate.

(c) Requires each district to cooperate with the board by providing information relating to the district's cost of implementing an H.B. No. 2 mandate. Requires the agency, state auditor, comptroller, and other state officers and agencies, at the board's request, to assist the board in conducting the study and analyzing information obtained from school districts.

(d) Requires, not later than November 1, 2005, the board

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

to prepare a certified list of any unfunded H.B. No. 2 mandate and deliver it to the secretary of state for publication in the Texas Register.

(e) Provides that a school district is not required to comply with any unfunded H.B. No. 2 mandate that appears on the certified list published under Subsection (d).

SECTION 2C.02. Adds Section 7.011, Education Code, Statewide Funds Management Information System for At-Risk Student Services.

SECTION 2C.03. Amends Section 7.056(e), Education Code, relating to waivers and exemptions by the commissioner.

No equivalent provision.

SECTION 2B.02. Substantially the same as House version, except references open-enrollment charter schools.

SECTION 2K.01. Same as House version.

SECTION 2B.03. Adds Section 7.033, Education Code, Quality Management Certification Program, as follows:  
(a) Requires the commissioner by rule to adopt a quality management certification program to encourage school districts and open-enrollment charter schools to obtain International Organization for Standardization ISO 9000 quality management certification.  
(b) Requires the commissioner by rule to identify areas of compliance in which the quality management certification program would enhance performance, including: compliance with federal law and regulations; financial accountability, including compliance with grant requirements; and data integrity for purposes of the PEIMS and accountability under Chapter 39.  
(c) Requires the commissioner by rule to mandate specific

SECTION 2C.01. Same as House version.

SECTION 2C.02. Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

performance measures relating to improvement in student performance, administrative efficiency, business processes, and integration and use of educational technology for each school district or open-enrollment charter school that obtains International Organization for Standardization ISO 9000 series quality management program certification.

(d) For purposes of compliance monitoring, discretionary grant administration, and reporting to the PEIMS and under the Education Flexibility Partnership Act of 1999, requires the commissioner by rule to develop a method for recognizing a school district or open-enrollment charter school that receives and maintains International Organization for Standardization ISO 9000 quality management certification.

SECTION 2C.04. Amends Section 11.059, Education Code, Terms, to delete provisions relating to three-year terms for trustees of an independent school district and to require elections for all trustees be held on the uniform election date in November in even-numbered years.

No equivalent provision.

SECTION 2C.03. Same as House version.

SECTION 2C.05. Adds Section 11.066, Education Code, Removal for Failure to Attend Board Meetings. (a) Establishes as grounds for removal of a school district trustee the trustee's unexcused absence from more than half of the regularly scheduled board meetings during a calendar year.

No equivalent provision.

SECTION 2C.04. Same as House version.

(b) Requires a district superintendent with knowledge that a ground for removal exists to notify the board, which, after proper determination that the ground exists, must notify the

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

county or district attorney or the attorney general.

No equivalent provision.

SECTION 2B.05. Adds Section 11.168, Education Code, Certification for Quality Management Standards, to allow each district to apply for International Organization for Standardization ISO 9000 certification for quality management standards and apply for renewal of that certification, as applicable.

Same as House version.

SECTION 2C.06. Adds Sections 11.201(e) and (f), Education Code, relating to superintendents. (e) Prohibits a superintendent from receiving any financial benefit for personal services performed by the superintendent for any business entity that conducts or solicits business with the district. Requires board approval, on a case-by-case basis in an open meeting, of any financial benefit received by the superintendent for performing personal services for any other entity. (f) Prohibits a district from paying a superintendent a salary above 400 percent of the salary of the highest paid classroom teacher in the district.

SECTION 2A.01. Adds Section 11.201(e), substantially the same as (e) in House version. Does not add the provision in (f)

SECTION 2C.05. Adds Section 11.2011, Education Code, Superintendents: Conflict of Interest Provisions. (a) Substantially the same as (e) in House version except adds an exception in (b).

(b) Subsection (a) does not apply to personal services performed by a superintendent for an institution of higher education, as defined by Section 61.003, regional education service center, or professional association or organization if the superintendent provides notice to the board of trustees of the school district disclosing the agreement to perform the services

SECTION 2C.07. Amends Sections 11.253 (d) and (h), Education Code, relating to admission and attendance. (d) Requires each campus improvement plan to include goals and methods for violence prevention and intervention on campus as approved by a site-based school discipline policy committee, if such a committee is established, and authorizes each plan to include goals and methods for dropout deterrence, and academic enhancement on campus, any of which goals and methods is authorized to include

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

ongoing, research-based teacher development programs that focus on developing healthy self-esteem in students, nurturing the well-being of students, and creating a nurturing classroom environment. Requires each campus improvement plan to provide for a program to encourage parental involvement at the campus that may include research-based classes and training in nurturing and providing positive discipline to a child.

(h) Requires a principal to regularly consult the campus-level committee and a site-based school discipline policy committee, if such a committee is established, in the planning, operation, supervision, and evaluation of the campus educational program.

SECTION 2C.08. Adds Section 11.2531, Education Code, Site-Based School Discipline Policy, (a) to require each school district to permit establishment of a site-based school discipline policy committee that (b) may be established by a group of classroom teachers at a campus by a petition of at least half the teachers at that campus. Requires the principal to approve the establishment of the committee if such a petition is submitted to the principal not later than the 10th instructional day of a school year. (c) Requires a member of a site-based school discipline policy committee to be a full-time classroom teacher. (d) Requires the committee, not later than the 20th instructional day of a school year, to meet and elect by secret ballot an executive board from its membership. Requires the board to establish policies concerning the time and manner of committee and board meetings. (e) Requires a site-based school discipline policy

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

committee to establish policies regarding: discipline management and the student code of conduct in accordance with Chapter 37, goals and methods for violence prevention and intervention on campus, teacher and school personnel safety, and methods for teachers to address the committee or the board regarding individual or systematic concerns in matters of school discipline or school personnel safety.

SECTION 2C.09. Amends Section 37.001(a), Education Code, to provide that the advice of site-based school discipline policy committees on a district's campuses will be included in district' board of trustees' adoption of a student code of conduct for the district.

No equivalent provision.

Same as Senate version.

SECTION 2C.10. Amends Section 37.002(c), Education Code, to prohibit a principal from returning a student to a teacher's class without the teacher's consent unless the site-based school discipline policy committee established under Section 11.2531 or, in the absence of such committee, the placement review committee determines that is the best or only alternative available.

No equivalent provision.

Same as Senate version.

SECTION 2C.11. Amends Section 37.002(d), Education Code, as amended by H.B. 603, Acts of the 79th Legislature, Regular Session, 2005, to include the same prohibition on returning a student to a teacher's class without the teacher's consent as above.

No equivalent provision.

Same as Senate version.

SECTION 2C.12. Amends Section 25.031, Education Code, Assignments and Transfers in Discretion of

No equivalent provision.

SECTION 2C.06. Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Governing Board, to prohibit a student who transfers to a campus other than the one the student would normally attend based on the student's residence from being subsequently transferred out of a class at that campus before the end of a semester if the only purpose of the subsequent transfer is to comply with a class-size limit. A school district is not required to apply for class-size waiver for the class in which the student is enrolled.

SECTION 2C.13. Effective August 1, 2006, amends the heading to Section 25.0811, Education Code, as follows: First And Last Day Of Instruction.

SECTION 2C.14. Effective August 1, 2006, amends Section 25.0811(a), Education Code, relating to the first and last day of instruction, to require a school district to begin instruction for students for a school year on the first Tuesday after Labor Day, and to end the school year not later than June 7 unless it operates a year-round system or the commissioner grants a waiver to extend the school year at a campus because a disaster, flood, extreme weather condition, fuel curtailment, or other calamity caused a campus closure for a significant period

No equivalent provision.

SECTION 2C.15. Amends Section 25.085(e), Education Code, to require a person who voluntarily enrolls in school or voluntarily attends school after the person's 18th

SECTION 2K.02. Same as House version.

SECTION 2K.03. Same as House version.

SECTION 2K.04. Provides that Part K applies beginning with the 2006-2007 school year.

No equivalent provision.

SECTION 2C.07. Same as House version.

SECTION 2C.08. Same as House version.

Same as House version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

birthday to attend until the end of the school year. Provides that Section 25.094 applies to a person described by this subsection. Provides that Sections 25.093 and 25.095 do not apply to the parent of a person described by this subsection. Deletes authorization for a school district to revoke for the remainder of the school year the enrollment of a person who has more than five unexcused absences. Deletes provision rendering a person whose enrollment has been revoked as an unauthorized person on campus.

SECTION 2C.16. Adds Section 25.902, Education Code, Certain Mandatory Student Identification Methods Prohibited, to prohibit a school district from requiring a student to use an identification device that uses radio frequency identification technology or similar technology to identify the student, transmit information regarding the student, or track the location of the student. Requires a district that permits the voluntary use of such a student identification device to provide an alternative method of identification for a student if the student's parent or guardian submits timely written objection to the use of radio frequency identification technology.

No equivalent provision.

Same as Senate version.

No equivalent provision.

SECTION 2B.06 Adds Section 28.0022, Education Code, Curriculum Management Assistance, as follows:  
(a) Requires the commissioner to identify available curriculum management materials recommended by school districts that may be used to assist school districts in: (1) understanding the depth and complexity of the essential knowledge and skills identified under Section 28.002(c) for

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

each subject in the foundation curriculum under Section 28.002(a)(1); and (2) based on learning standards: (A) developing model instructional plans and diagnostic tools; (B) aligning curriculum objectives to district instructional resources; and (C) differentiating instruction in recognition of the needs of individual students.

(b) Allows the commissioner to use federal funds to implement this section.

(c) Requires the commissioner to prepare and submit to the legislature not later than January 1, 2007, a report that describes in detail the curriculum management materials identified under Subsection (a), the costs associated with making the materials available to school districts, and the manner in which technological applications may be used to make the materials available and allow school districts to use the materials.

(d) Provides that Subsection (c) and this subsection expire January 31, 2007.

SECTION 2C.17. Adds Section 28.0216, Education Code, Limits on Assignment of Students to Teachers, as follows: (a) Prohibits a student in grades kindergarten through six from being assigned for two consecutive school years to a teacher who has less than one year of teaching experience or does not hold the appropriate certificate issued by the State Board for Educator Certification.

(b) Prohibits, in a subject for which a student takes an assessment instrument under Section 39.023(a) or (c), a student in grade seven or higher from being assigned for two consecutive school years to a teacher who has less than one year of teaching experience or does not hold the

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

appropriate certificate issued by the State Board for Educator Certification.

SECTION 2C.18. Adds Sections 29.092, 29.093, and 29.0931, Education Code, as follows:

Sec. 29.092. Consolidated Funding for Programs and Services for Students at Risk of Dropping Out of School. Provisions are applied to school districts and public charter districts. Among other provisions, (d) authorizes the commissioner to include grants under Section 7.024 as part of one or more consolidated grant application processes developed under this section. Requires the commissioner to ensure that a grant applied for under a consolidated application process under this section and awarded under Section 7.024 is used only for the purposes of Section 7.024.

Sec. 29.093. Cost-Outcome Analysis. Provisions apply to individual school districts and public charter districts

Sec. 29.0931. Temporary Provision: Commissioner's Cost-Outcome Analysis. Provisions apply to school districts and public charter districts.

SECTION 2C.19. Adds Section 33.087, Education Code, Eligibility of Students Participating in Joint Credit or Concurrent Enrollment Programs, to clarify that a student's eligibility to participate in extracurricular activities or University Interscholastic League competition is not voided

SECTION 2B.07. Adds Sections 29.092, 29.093, and 29.094, Education Code.

Sec. 29.092. Same as House version, except refers to open-enrollment charter schools and does not include the authorization in Subsection (d) for the commissioner to include grants under Section 7.024 as part of one or more consolidated grant application processes developed under this section or the requirement in (d) that the commissioner ensure that a grant applied for under a consolidated application process under this section and awarded under Section 7.024 is used only for the purposes of Section 7.024.

Sec. 29.093. Substantially the same as the House version except refers to open-enrollment charter schools.

Sec. 29.094. Substantially the same as the House version except refers to open-enrollment charter schools.

NOTE: See SECTION 2J.02 below for a different Section 33.087, Education Code, Report Concerning Automated External Defibrillators.

SECTION 2C.09. Same as House version.

Same as House version.

Same as House version.

Same as House version.

SECTION 2C.10. Adds Section 33.088, Education Code, Eligibility of Students Participating in Joint Credit or Concurrent Enrollment Programs. Same as House version

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

because the student is enrolled in a course offered for joint high school and college credit or in a course offered under a concurrent enrollment program, regardless of where the course is provided.

SECTION 2C.20. Adds Section 44.011, Education Code, Expenditures for Direct Instructional Activities, as follows:

(a) Requires a school district to allocate at least 65 percent of the district's total revenue to fund direct instructional activities in the district.

(a-1) Provides that subsection (a) applies beginning with the 2008-2009 school year. Requires a school district, for the 2005-2006, 2006-2007, and 2007-2008 school years, to allocate the following percentages of the district's total revenue to fund direct instructional activities in the district:

- (1) for the 2005-2006 school year, at least 50 percent;
- (2) for the 2006-2007 school year, at least 55 percent; and
- (3) for the 2007-2008 school year, at least 60 percent.

(a-2) Provides that subsection (a-1) and this subsection expire August 1, 2008.

(b) Provides that for purposes of this section, expenditures for direct instructional activities: (1) include expenditures directly related to classroom instruction for courses in the foundation curriculum described by Section 28.002(a)(1) and subject to assessment under Subchapter B, Chapter 39;

SECTION 2B.08. Adds Section 44.011, Education Code, Expenditures for Direct Instructional Activities, as follows:

(a) Same as House version.

(a-1) Provides that subsection (a) applies beginning with the 2009-2010 school year. Requires a school district, for the 2006-2007, 2007-2008, and 2008-2009 school years, to allocate the following percentages of the district's total revenue to fund direct instructional activities in the district:

- (1) for the 2006-2007 school year, at least 50 percent;
- (2) for the 2007-2008 school year, at least 55 percent; and
- (3) for the 2008-2009 school year, at least 60 percent.

(a-2) Provides that subsection (a-1) and this subsection expire August 1, 2009.

(b) Same as House version.

SECTION 2C.11. Same as House version, except as follows:

(a) Same as House version.

(a-1) Provides that Subsection (a) applies beginning with the 2009-2010 school year. Requires a school district, for the 2006-2007, 2007-2008, and 2008-2009 school years, to allocate the following percentages of the district's total *available* revenue to fund direct instructional activities in the district:

- (1) for the 2006-2007 school year, at least 50 percent;
- (2) for the 2007-2008 school year, at least 55 percent; and
- (3) for the 2008-2009 school year, at least 60 percent.

(a-2) Same as Senate version.

(b) For purposes of this section, whether an expenditure is an expenditure for direct instructional activities shall be determined in accordance with standards and definitions adopted by the National Center for Education Statistics of the United States Department of Education.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

and (2) do not include expenditures directly related to programs and services that are provided at the district's discretion.

(c) Authorizes the commissioner to adopt rules for purposes of this section in a manner consistent with Subsection (b) and Section 44.0071.

SECTION 2C.21. Adds Section 44.047, Education Code, Certain School District Service Contracts Involving Superintendents Prohibited, as follows: (a) Defines "business entity."

(b) Provides that for purposes of this section, a superintendent or a retired superintendent has a substantial interest in a business entity if the superintendent would have a substantial interest in that business entity under Section 171.002(a), Local Government Code.

(c) Requires the commissioner to adopt rules prohibiting a district's board of trustees from entering into contract with the superintendent, with a person who has retired from service as the district's superintendent during the three-year period preceding the date on which the contract is entered into, or with a business entity in which the superintendent or retired superintendent has a substantial interest, under contract which the district agrees to pay for services provided to the district.

(d) Requires the rules adopted by the commissioner under Subsection (c) to allow a person who has retired from service as the superintendent of a school district to provide consulting services to the district until the six-month

(c) Same as House version.

No equivalent provision.

(c) Same as House version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

anniversary of the date of the person's retirement.

No equivalent provision.

No equivalent provision.

SECTION 2C.12. Amends Section 44.0071(a) and adds (a-1), Education Code, to require a school district to compute and report to the commissioner the percentage of the district's total available revenue for the preceding fiscal year that was used to fund direct instructional activities related to courses that are subject to assessment under Subchapter B, Chapter 39 and to requires the commissioner by rule to determine the manner in which a district's total available revenue for purposes of this section is computed.

SECTION 2C.22. Amends Section 42.002(a), Election Code, as amended by H.B. 1209, Acts of the 79th Legislature, Regular Session, 2005, relating to the required use of county election precincts, to make county election precincts the election precincts for an election held by a school district on the November uniform election date.

No equivalent provision.

SECTION 2C.13. Same as House version.

SECTION 2C.23. Adds Section 42.0622, Election Code, Precincts for November School District Election, to require a school district that holds an election in November to use the regular county election precincts. If an election precinct contains territory from more than one school district or more than one district used to elect a member of the governing body of a school district, requires election officials to take reasonable measures to ensure that a voter voting at that precinct does not vote in an election in which the voter is not entitled to vote. Provides that a school district is not required to contract with a county or hold a

No equivalent provision.

SECTION 2C.14. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

joint election with a county. Requires the secretary of state to prescribe procedures to implement this section.

SECTION 2C.24. Adds Section 43.004(c), Election Code, relating to the designation of location: elections of other political subdivisions, to require a school district that holds an election on the November uniform election date to designate as the polling places for the election the regular county polling places in the county election precincts that contain territory from the school district.

No equivalent provision.

SECTION 2C.15. Same as House version.

SECTION 2C.25. (a) Provides that Section 11.059, Education Code, as amended by this Act, applies to a school district trustee election scheduled to be held on or after November 8, 2005.

No equivalent provision.

SECTION 2C.16. Same as House version.

(b) With certain exception, requires a school district trustee election that on the effective date of this Act is scheduled to be held on November 8, 2005, or May 6, 2006, to be held on November 7, 2006 instead.

(c) If the positions of more than one-half of the trustees or as near to one-half as possible would be scheduled for election on November 7, 2006, requires the trustees holding those positions to draw lots to determine which positions are subject to election in 2006 and which are subject to election in 2008.

(d) To implement the changes made to Section 11.059, Education Code, allows a person to serve a term as school district trustee that is longer than the term for which the person was elected.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2C.26. Provides that Section 11.066, Education Code, as added by this Act, applies only to trustee attendance at a board of trustees meeting held on or after the effective date of this Act. Trustee attendance at a board of trustees meeting held before the effective date of this Act is governed by the law in effect when the meeting was held, and the former law is continued in effect for that purpose.

SECTION 2C.27. Provides that Section 11.201(e), Education Code, as added by this Act, applies only to a contract between a superintendent of a school district and a business entity that is entered into on or after September 1, 2005. Provides that a contract between a superintendent of a school district and a business entity that is entered into before September 1, 2005, is governed by the law in effect on the date the contract is entered into, and the former law is continued in effect for that purpose.

SECTION 2C.28. Provides that Section 11.253(d), Education Code, as amended by this Act, applies to campus improvement plans beginning with the 2006-2007 school year.

SECTION 2C.29. Provides that Section 44.047, Education Code, as added by this Act, applies only to a contract executed on or after the effective date of this Act. Provides that a contract executed before the effective date of this Act is governed by the law as it existed on the date the contract was executed, and the former law is continued in effect for

SENATE VERSION

No equivalent provision.

SECTION 2A.17. Same as House version

No equivalent provision.

No equivalent provision.

CONFERENCE

SECTION 2C.17. Same as House version.

SECTION 2C.18. Provides that Section *11.2011*, Education Code, as added by this Act, applies only to a contract between a superintendent of a school district and a business entity that is entered into on or after September 1, 2006. Provides that a contract between a superintendent of a school district and a business entity that is entered into before September 1, 2006, is governed by the law in effect on the date the contract is entered into, and the former law is continued in effect for that purpose.

Same as Senate version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

that purpose.

SECTION 2C.30. Requires the Texas Education Agency, not later than January 1, 2007, to adopt a five-year plan to renovate the Public Education Information Management System (PEIMS) to provide for efficient and effective information storage and retrieval for the purposes of allocating scarce school resources. Requires the renovation to include a redesign of the records layout.

SECTION 2B.09. Same as House version.

SECTION 2C.19. Same as House version.

No equivalent provision.

No equivalent provision.

SECTION 2C.20. Allows a waiver under Section 7.056(e), Education Code, from the requirements for the first and last day of instruction under Section 25.0811, Education Code, as amended by this Act, for the 2006-2007 or a subsequent school year to be granted only as provided by Section 25.0811, Education Code, as amended by this Act, and a waiver of those requirements for the 2006-2007 or a subsequent school year that is granted before August 1, 2006, and that does not comply with Section 28.0811, Education Code, as amended by this Act, is void.

PART D. ACCOUNTABILITY

PART C. ACCOUNTABILITY

SECTION 2D.01. Adds Section 7.0071, Education Code, Public Access to PEIMS Data, to require the commissioner to make available *in English and Spanish*, through the agency Internet website, certain financial information.

SECTION 2C.01. Adds Section 7.007. Same as House version, except omits reference to availability in English and Spanish.

Same as House version.

SECTION 2D.01. Adds the same statute section number as House version, except also omits reference to availability in English and Spanish.

SECTION 2D.02. Amends Section 28.006(j), Education Code, relating to reading diagnosis, to make a conforming

SECTION 2C.02. Same as House version.

SECTION 2D.02. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

change.

SECTION 2D.03. Adds Section 7.010, Education Code, Best Practices; *Clearinghouse*. (a) Requires the agency, in coordination with the LBB and with the assistance of the centers of education research established under Section 1.005, to establish an online clearinghouse of information relating to best practices of campuses and school districts regarding instruction, resource allocation, and business practices. To the extent practicable, the agency shall ensure that information provided through the online clearinghouse is specific, actionable information relating to the best practices of high-performing and highly efficient campuses and school districts rather than general guidelines relating to campus and school district operation. The information must be provided in English and Spanish and shall be accessible by campuses, school districts, and interested members of the public.

(b) Requires the agency to solicit and collect from the LBB, centers of education research, and exemplary or recognized school districts and public charter districts, as rated under Section 39.072, examples of best practices relating to instruction, resource allocation, and business practices, including best practices relating to curriculum, scope and sequence, compensation and incentive systems, bilingual education and special language programs, and the effective use of instructional technology, including online courses.

(c) Authorizes the agency to contract for the services of one or more third-party contractors to develop and implement a system of collecting and evaluating the best practices of campuses and school districts as provided by

SECTION 2F.02. Adds Section 7.010, Education Code, Best Practices. (a) Requires the agency and the regional services centers, using existing funds and other resources available for the purpose and under a memorandum of understanding that establishes the respective duties of the agency and the centers, to solicit and collect from exemplary or recognized school districts and open-enrollment charter schools best practices information and to disseminate that information.

(b) Allows the best practices information to include: (1) information concerning available programs, products, and policies that have been successfully adopted or developed and used by school districts or open-enrollment charter schools; (2) specific examples of successful best practices; and (3) resources available to assist school districts and open-enrollment charter schools in complying with applicable state or federal education laws.

(c) Requires the best practices information to include information collected by the agency or a service center concerning the effective use of online courses, including: (1) methods for using online courses to provide curriculum solutions; (2) information to assist school districts and open-enrollment charter schools in investigating the quality of online courses; and (3) a list of funding sources available for various types of online courses.

(d) Provides that the agency and the regional education service centers are not required to evaluate and may not endorse the best practices information collected under this section.

SECTION 2D.03. Same as House version, except in Subsection (a), does not require that the information be provided in English and Spanish and omits the September 1, 2006, deadline for the agency's implementation of this section.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

this section. In addition to any other considerations required by law, the agency must consider an applicant's demonstrated competence and qualifications in analyzing campus and school district practices in awarding a contract under this subsection.

(d) Requires the agency to implement this section not later than September 1, 2006. This subsection expires January 1, 2007.

SECTION 2D.04. Adds Section 11.004, Education Code, Applicability of Title to Exemplary Districts and Campuses, to make an exemplary district or campus subject only to the prohibitions, restrictions, and requirements that apply to a public charter district as approved by the commissioner.

SECTION 2D.05. Amends Section 25.005(b), Education Code, relating to reciprocity agreements regarding military personnel and dependents, to require such agreements to permit a student to satisfy exit-level requirements through successful performance on comparable end-of-course or other exit-level tests administered in another state.

SECTION 2D.06. Amends the heading to Section 28.0211, Education Code, as follows: Satisfactory Performance On Assessment Instruments Required for Promotion To Certain Grade Levels; Accelerated Instruction.

SECTION 2D.07. Adds Section 28.0215, Education Code, Satisfactory Performance Required: End-of-Course

(e) Requires the agency and the service centers to develop incentives for school districts and open-enrollment charter schools to implement best practices.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 2D.04. Same as House version, except adds a provision that an exemplary school district or campus is subject to the prohibitions, restrictions, and requirements of Chapter 37, as applicable.

Same as Senate version.

Same as Senate version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Assessment Instruments, to prohibit a student from receiving course credit for a course described by Section 39.023(c) unless the student performs satisfactorily on the end-of-course test for the course. Allows the commissioner to adopt rules establishing a procedure for a student who did not perform satisfactorily on an end-of-course test to retake the test and obtain course credit.

SECTION 2D.08. Amends Sections 28.025(c), (d), and (e) and adds (f), Education Code, relating to a high school diploma or certificate, to prohibit a person from receiving a diploma unless the person meets the exit-level performance requirements of Section 39.025. This provision ceases to apply on the date the commissioner certifies that the implementation of certain changes to the state's testing requirement is complete under the transition plan adopted under Section 39.0241. Also requires the transcript forms adopted by the State Board of Education under Subsection (e) to be designed to identify whether a student received a diploma or a certificate of coursework completion.

SECTION 2D.09. Amends Section 28.026, Education Code, Notice of Automatic College Admission, to require a school district to provide each senior student eligible for automatic college admission and the student's parent or guardian with a written notification of the student's eligibility with a detailed explanation in plain language of the substance of Section 51.803 not later than the 14th day after the last day of classes for the fall semester or an equivalent date in the case of a school operated on a year-

No equivalent provision.

Same as Senate version.

No equivalent provision

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

round system, rather than at the start of a class's senior year. Requires the agency to adopt a form to use in providing such notice. The notice to a student and the student's parent or guardian must be on a single form. The form may contain one or more signature lines to indicate receipt of notice by the student or the student's parent or guardian. In providing notice under Subsection (a)(3), a school district shall use the form adopted by the agency.

No equivalent provision.

SECTION 2C.03. Effective September 1, 2006, adds Section 28.027, Education Code, Funding for College Entrance Assessments, as follows: (a) Requires the agency to pay for any student who chooses to take, on one occasion, an assessment instrument that is currently accepted by colleges and universities for use in determining admissions. Requires the agency to reduce the amount the agency pays for a student to take the assessment instrument by the amount of any discount or fee waiver offered by the vendor of the assessment instrument to which the student is entitled. Requires the agency to pay the fee for the administration of the assessment instrument directly to the vendor of the assessment instrument: (1) from funds appropriated for the purpose; or (2) if funds are not appropriated for the purpose, from funds allotted under the Foundation School Program, and the commissioner shall reduce the total amount of state funds allocated to each district from any source in the same manner described for a reduction in allotments under Section 42.253. (b) Requires the agency to ensure that vendors are not paid under Subsection (a) for the administration of an assessment instrument to a student to whom the assessment

Same as House version, but see SECTION 2D.17 below, where provisions in Senate Subsection (b) are included.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

instrument is not actually administered. The agency may comply with this subsection by any reasonable means, including by creating a refund system under which a vendor returns any payment made for a student who registered for the administration of an assessment instrument but did not appear for the administration.

(c) Requires the agency to select and approve vendors of the specific assessment instruments for which funding is provided under this section.

(d) Requires the agency to compile the results of any assessment instrument for which funding is provided under this section and make the results available to the public in a manner that does not identify individual students.

SECTION 2D.10. Amends Sections 29.053(b) and (d), Education Code, relating to the establishment of bilingual education and special language programs.

SECTION 2C.04. Same as House version.

SECTION 2D.05. Same as House version.

SECTION 2D.11. Amends Section 29.081(b), Education Code, relating to compensatory, intensive, and accelerated instruction, to require each district to provide accelerated instruction to a student enrolled in the district who has taken an end-of-course test and has not performed satisfactorily on the test or who is at risk of dropping out of school.

No equivalent provision.

Same as Senate version.

SECTION 2D.12. Adds Section 29.0822, Education Code, Optional Flexible School Day Program. Among other provisions, Subsection (a) provides that, notwithstanding Section 25.081 or 25.082, a school district may provide a

SECTION 2C.07. Substantially the same as House version, except as follows: In Subsection (a) deletes the phrase *as defined by Section 29.081*. In (d), requires the commissioner to *compute* average daily attendance for

SECTION 2D.06. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

flexible school day program for students in grades nine through 12 who have dropped out of school or who are at risk of dropping out of school as defined by Section 29.081. Among other things, Subsection (d) requires the commissioner to *calculate* average daily attendance for students served under this section. *The commissioner shall allow accumulations of hours of instruction for students whose schedule would not otherwise allow full state funding.* Funding under this subsection shall be determined based on the number of instructional days in the district calendar and a seven-hour school day, *but* attendance may be *cumulated* over a school year, *inclusive* of any summer or vacation sessions.

No equivalent provision.

students served under this section *for purposes of determining state funding. In computing average daily attendance for purposes of this section, a student may accumulate hours of instruction.* Funding under this subsection is determined based on the number of instructional days *provided* in the district calendar and a seven-hour school day. Hours of attendance *under this subsection* may be *accumulated* over the school year, *including* any summer or vacation sessions, to determine average daily attendance.

SECTION 2C.08. Effective September 1, 2006, adds Section 29.124, Education Code, Performance Standards; State Funding, as follows:

(a) Requires the commissioner to adopt the performance standards developed by the agency under the pilot project required by Rider 52, page III-17, of the General Appropriations Act (Ch. 1330, Acts 78th Leg., R.S., 2003) for assessing the performance in English language arts, mathematics, science, and social studies of students in a program for gifted and talented students. Allows the commissioner to adopt performance standards for assessing the performance in other subjects or at other grade levels of students in a program for gifted and talented students. Requires the commissioner to establish the minimum level of student performance necessary to comply with the performance standards and may periodically raise the minimum level as the commissioner determines necessary.

Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

- (b) Provides that a school district is not required to use the performance standards adopted under Subsection (a).
- (c) Entitles a school district to \$100, from funds appropriated for that purpose, for each student who meets the minimum level of performance on the performance standards adopted under Subsection (a). A school district must use funds received under this subsection in providing a program for gifted and talented students under this subchapter. The amount appropriated for any fiscal year for purposes of this subsection may not exceed \$6 million.
- (d) Grants the commissioner rulemaking authority.
- (e) Allows the commissioner to designate from the funds appropriated under this section an amount necessary to fund the agency's administrative costs of implementing this section.

SECTION 2D.13. Amends Section 29.187(b), Education Code, relating to awards for distinguished achievement in career and technology education, to delete a reference to certificate of coursework completion.

No equivalent provision.

Same as Senate version.

SECTION 2D.14. Amends Section 29.202, Education Code, Eligibility, to define "adequate yearly progress standard" and to make a student eligible to receive a public education grant or to attend another public school in the district in which the student resides if the student is assigned to attend a public school campus that was at any time in the preceding three years considered academically unacceptable, rather than low-performing or *has not met the adequate yearly progress standard for the same*

SECTION 5B.10. Amends Section 29.202(a), Education Code, only to make a student eligible to receive a public education grant or to attend another public school in the district if the student is assigned to attend a public school campus that was, at any time in the preceding three years, considered academically unacceptable, rather than low-performing, under Section 39.132. Does not define "adequate yearly progress."

SECTION 2D.07. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

*indicator of educational success for the preceding two years.*

SECTION 2D.15. Adds Section 29.2021, Education Code, Conflict of Laws, to establish that the federal No Child Left Behind Act of 2001 prevails in the event of any conflict between it and this subchapter.

No equivalent provision.

SECTION 2D.08. Same as House version.

SECTION 2D.16. Amends Section 29.203(f), Education Code, relating to financing of the public education grant program, to provide an exception under the No Child Left Behind Act to the requirement that the district in which a student resides provide each student attending a school in another district free transportation to and from the school the student would otherwise attend.

No equivalent provision.

SECTION 2D.09. Same as Senate version.

SECTION 2D.17. Amends Section 30.021(e), Education Code, relating to the purpose of the Texas School for the Blind and Visually Impaired, to make a conforming change regarding the use of end-of-course tests instead of the exit-level test.

No equivalent provision.

Same as Senate version.

SECTION 2D.18. Adds Section 29.913, Education Code, "Education. Go Get It" Week.

SECTION 2C.09. Same as House version.

SECTION 2D.10. Same as House version.

SECTION 2D.19. Amends Sections 30.104(b) and (c), Education Code, relating to credit for course completion at the Texas Youth Commission, to make a conforming change regarding the use of end-of-course tests instead of the exit-level test.

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2D.20. Amends Section 39.022, Education Code, Assessment Program, to require the commissioner by rule to provide for the administration of assessment instruments under the state's accountability system.

SECTION 2D.21. Amends Sections 39.023(a)-(e) and (i)-(n) and adds (a-1) (b-1), and (c-1), Education Code, relating to adoption and administration of assessment instrument, as follows:

(a) Requires all students, *except students assessed under Subsection (b) or (l) or exempted under Section 39.027*, to be assessed in:

- (1) mathematics, annually in grades three through seven without the aid of technology and in *grade eight* with the aid of technology on any assessment instruments that include algebra;
- (2) reading, annually in grades three through *eight*;
- (3) writing, including spelling and grammar, in grades four and seven;
- (4) social studies, in grade *eight*;
- (5) science, in grades *five and eight*; and
- (6) any other subject and grade required by federal law.

(a-1) Allows a test to include questions on a broader range of knowledge and skills or at a higher difficulty level for the purpose of differentiating student achievement, but a student does not have to answer such question correctly to perform satisfactorily on the test or to be promoted to the next grade level. To ensure a valid bank of questions for

SENATE VERSION

SECTION 2C.11. Same as House version.

SECTION 2C.12. Amends Sections 39.023(a)-(e), (i), (j), and (l)-(n) and adds (a-1) and (b-1), Education Code, as follows:

(a) Requires all students, *except as otherwise provided by this subchapter*, to be assessed in:

- (1) mathematics, annually in grades three through seven without the aid of technology and in *grades eight through 11* with the aid of technology on any assessment instruments that include algebra;
- (2) reading, annually in grades three through *nine*;
- (3) writing, including spelling and grammar, in grades four and seven;
- (4) English language arts, in grades 10 and 11;
- (5) social studies, in *grades eight, 10, and 11*;
- (6) science, in grades *five, eight, 10, and 11*; and
- (7) any other subject and grade required by federal law.

(a-1) Same as House version, except the agency is not required to release a question *that is developed for purposes of this subsection*.

CONFERENCE

SECTION 2D.11. Same as House version, except amends this section effective November 1, 2005..

SECTION 2D.12. Amends and adds the same subsections as the Senate version.

(a) Same as Senate version.

(a-1) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

use each year, the agency is not required to release a question that is *being field-tested* until after the fifth school year the question is used on a test.

(b) Adds a certain requirement for the alternative tests given to certain students in special education programs.

(b-1) Requires the agency to adopt or develop certain appropriate criterion-referenced tests.

(c) Deletes the requirement for the high school exit-level tests given in 11th grade and instead requires the agency to adopt end-of-course tests for high school courses in Algebra I and II; Geometry; Biology; Chemistry; Physics; Integrated Physics and Chemistry; English I, II, III, and IV; World Geography; World History; U. S. History; and any other course as determined by commissioner rule. Requires the SBOE to adopt a schedule for the administration of these end-of-course tests and exempts a student who performs at or above a level set by the Texas Higher Education Coordinating Board on the end-of-course tests from the requirements of Section 51.3062. The performance level set by the coordinating board represents the level indicative of student readiness for college course work and may be used as an indicator to measure progress toward public school students' college preparedness.

(d) Makes a conforming change regarding necessary *accommodations* rather than *modifications* for a special education program student to take an end-of-course test.

(b) Same as House version.

(b-1) Same as House version.

(c) Deletes provisions relating to the determination by a special education program student's admission, review, and dismissal committee on the need for any modifications or on the student's exemption from the exit-level test requirements. Does not replace exit-level tests with end-of-course tests.

(d) Same as House version.

(b) Same as House version.

(b-1) Same as House version.

(c) Same as Senate version, except also includes the provision regarding the performance level set by the coordinating board

(d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

(e) Under rules adopted by the State Board of Education:  
(1) the agency shall release to each school district questions and answer keys to each assessment instrument administered under Subsections (a), (b), (c), and (l) and Section 39.027 not later than the 30th day after the date results are released for that year under Subsection (h) or another law or rule, as applicable; and  
(2) [;] every other year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection [(a), (b), (c),] (d)[, or (l)] after the last time the instrument is administered for that school year.  
(e-1) To ensure a valid bank of questions for use in assessment instruments administered under Subsection (a), (b), (c), (d), or (l) or Section 39.027 each year, the agency is not required under Subsection (e) to release a question that is being field-tested and was not used to compute the student's score on the instrument. The agency, under board rule, shall [also] release, after the last time an assessment instrument is administered for that school year[; under board rule], each question that is no longer being field-tested and that was not used to compute a student's score.

(i) Clarifies the authority under which each test is adopted or developed.

SECTION 8.01(f)(4) repeals Section 39.023(j), Education Code.

SENATE VERSION

(e) Under rules adopted by the State Board of Education, ~~[every other year,]~~ the agency shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (b), (c), (d), or (l) ~~or Section 39.027 on or after August 1 after the second anniversary of the date [after the last time] the instrument was [is] administered [for that school year].~~ To ensure a valid bank of questions for use each year, the agency is not required to release a question that is being field-tested and was not used to compute the student's score on the instrument. The agency shall also release, under board rule, each question that is no longer being field-tested and that was not used to compute a student's score.

(i) Same as House version.

(j) Makes a conforming change regarding necessary *accommodations* rather than *modifications* for a special education program student to take an Algebra I end-of-course test.

CONFERENCE

(e) Same as Senate version.

(i) Same as House version.

(i) Same as Senate version, except also amends the subsection to require, rather than allow, the commissioner by rule to require a school district to administer the end-of-course test *developed under this section* and deletes the

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(l) Deletes reference to the board's rulemaking authority regarding the testing of certain limited English proficiency students in grades three through six who are not exempt from testing requirements, and instead requires the agency to adopt or develop a Spanish version of the tests adopted under Subsection (a) for those students.

(l) Same as House version.

reference to Algebra I

(l) Same as House version.

(m) To comply with federal requirements, requires the commissioner, by rule, to develop procedures under which a limited English proficiency student who is exempt from testing requirements is given a linguistically accommodated test to evaluate that student's progress.

(m) Same as House version.

(m) Same as House version.

(n) In lieu of the requirement for the agency to adopt an alternative criterion-referenced test for dyslexic and disabled students, requires the agency to adopt or develop test administration procedures, including accommodations for such students. Requires the committee established by the board of trustees of the district to determine the placement of students with dyslexia or related disorders to determine whether the allowable accommodations are necessary in administering to a student a test required under this section.

(n) Same as House version.

(n) Same as House version.

SECTION 2D.22. Adds Section 39.0232, Education Code, Computer-Adaptive Assessment. (a) Requires the agency, to the extent practicable and appropriate, to provide for the tests required under Section 39.023 to be designed so that

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

they can be computer-adaptive.

(b) To the extent practicable and appropriate, requires districts to administer the computer-adaptive tests. Requires the agency to implement this section not later than March 1, 2006.

Note: See also SECTION 2E.45, below, for a different version of this section.

SECTION 2D.23. Amends Sections 39.024(a) and (c), Education Code, relating to determining the level of performance considered satisfactory on certain tests.

SECTION 2D.24. Adds Section 39.0241, Education Code, Transition Plan for Use of Assessment Instruments, as follows: (a) Requires the commissioner by rule to adopt a transition plan to implement the changes made by this Act regarding the standardized statewide tests and the end-of-course tests and to provide for the administration of end-of-course tests adopted under Section 39.023(c) to begin during the 2009-2010 school year. During the transition to end-of-course tests: (1) the commissioner may retain, administer, and use for campus and district ratings the tests previously required; (2) the agency may defer releasing test questions and answer keys to the extent necessary to develop additional assessment instruments; and (3) the commissioner may make the end-of-course Algebra I test available to campuses and school districts to administer and use and may make the end-of-course test for each other course specified under Section 39.023(c) available to

SECTION 2C.13. Same as House version.

No equivalent provision.

SECTION 2D.14. Same as House version.  
Note SECTION 2D.13 is across from SECTION 2E.14 in House version.

SECTION 2D.15. Adds Sections 39.0241, 39.0242, and 39.0243, Education Code, as follows:

Sec. 39.0241. End-of-Course Assessment Instruments. (a) Requires the commissioner to develop, in addition to the Algebra I end-of-course test, end-of-course tests for other subjects described by Section 39.023.

(b) Allows the commissioner to require a school district to administer and end-of-course test developed under this section. And requires a special education student's admission, review and dismissal committee to determine whether any accommodation is necessary in giving that student a test.

(c) Requires the agency to ensure that each end-of-course test complies with requirements of state and federal law.

Sec. 39.0242. End-of-Course Assessment Instrument: Satisfactory Performance. (a) Requires the SBOE to determine the level of performance considered satisfactory

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

campuses and districts as each test is adopted, but the results of those tests may not be used for campus and district ratings under Subchapter D.

(b) Provides that commissioner rules must require that each student who will be subject to the requirements implemented under the changes made by this Act is entitled to notice of the specific requirements applicable to the student and that notice be provided not later than the date the student enters ninth grade.

(c) Requires implementation of the end-of-course tests to begin with the Algebra I test.

(d) Provides that a reference in this code to an end-of-course test given under Section 39.023(c) includes a secondary exit-level test given as provided by Subsection (a).

(e) Provides that this section expires September 1, 2010.

No equivalent provision.

SECTION 2D.25. Adds Section 39.0261, Education Code, College Readiness And Preparation Assessments, as follows:

(a) Provides that in addition to the tests otherwise authorized or required by this subchapter: (1) each school year and at state cost, a school district may administer to students in any two grade levels other than the 11th or 12th grade an established, valid, reliable, and nationally norm-

SECTION 2C.14. Amends Section 39.025(a), Education Code, relating to the exit-level performance required, to make a conforming change.

SECTION 2C.15. Effective September 1, 2006, adds Section 39.0261, Education Code, College Preparation Assessments, as follows:

(a) Provides that in addition to the required or authorized tests, a school district may administer to students in any grade an established, valid, reliable, and nationally normed college preparation tests.

on an end-of-course test.

(b) Allows the commissioner by rule to exempt a student from an exit-level test requirements as to a subject if the student has performed satisfactorily on a comparable end-of-course test for that subject.

(c) For purposes of Section 28.0211, allows the commissioner by rule to provide that a student who has performed satisfactorily on the Algebra I end-of-course test is exempt from the requirement relating to passing the eighth grade mathematic test.

Sec. 39.0243. Joint Legislative Oversight Committee: End-of-Course Assessment Instruments. Creates the committee to monitor development and administration of the end-of-course tests, specifies its composition and appointing authorities, and requires it to file a biennial report with the governor, lieutenant governor, and speaker of the house.

SECTION 2D.16. Same as Senate version.

SECTION 2D.17. Amends this section effective August 1, 2006. Same as House version, except as follows;

(a) Same as House version, except in Subdivision (a) requires, rather than authorizes, a district to administer the tests.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

referenced preliminary college preparation test ; and (2) high school students in the spring of the 11th grade or during the 12th grade may select and take once, at state cost, one of the valid, reliable, and nationally norm-referenced tests used by colleges and universities as part of their undergraduate admissions processes.

(b) Requires the agency to select and approve vendors of the specific tests given under this section and pay all fees associated with the administration of the assessment instrument from funds allotted under the Foundation School Program, and the commissioner shall reduce the total amount of state funds allocated to each district from any source in the same manner described for a reduction in allotments under Section 42.313.

No equivalent provision.

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(b) Similar to House version, except requires the agency, *subject to the restrictions of Subsection (c)*, to pay all fees associated with the administration of the assessment instrument *(A) from funds appropriated for the purpose or if funds are not appropriated for the purpose, or (B)* from funds allotted under the Foundation School Program, and refers to the commissioner's reduction of allotments under Section 42.253.

See SECTION 2C.03 above for this provision.

(c) Allows the agency to pay only for the administration of the test at two different grade levels in each district each year.

153

(b) Same as House version.

(c) Requires the agency to ensure that vendors are not paid under Subsection (h) for the administration of an assessment instrument to a student to whom the assessment instrument is not actually administered. Allows the agency to comply with this subsection by any reasonable means, including by creating a refund system under which a vendor returns any payment made for a student who registered for the administration of an assessment instrument but did not appear for the administration.

Same as House version.

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c) Requires a vendor that administers test for a district under this section to report the test results to the agency.

(d) Same as House version.

(d) Same as House version.

(d) Provides that Subsection (a)(2) does not prohibit a high school student in the spring of the 11th grade or during the 12th grade from selecting and taking, at the student's own expense, one of the valid, reliable, and nationally norm-referenced assessment instruments used by colleges and universities as part of their undergraduate admissions processes more than once.

No equivalent provision.

(e) Same as House version.

SECTION 2D.26. Amends Sections 39.027(a), (e), and (g), Education Code, relating to test exemptions for limited English proficiency students in grades three through 10.

SECTION 2C.16. Same as House version.

SECTION 2D.18. Same as House version, except amends the Sections *effective August 1, 2005*.

SECTION 2D.27. Adds Sections 39.034 and 39.035, Education Code, as follows:

SECTION 2C.17. Same as House version, except as follows:

Sec. 39.034. Measure of *Incremental Growth in Student Achievement*. Among other things, requires the commission to determine a method by which the agency may measure *incremental growth in student achievement* from one school year to the next on an assessment instrument required under this subchapter.

Sec. 39.034. Measure of *Individual Student Growth on Assessment Instrument*. Same as House version, except refers to *individual student growth in achievement* from one school year to the next on an assessment instrument required under this subchapter.

SECTION 2D.19. Adds Section 39.034, Education Code, Measure of Incremental Growth in Student Achievement. Same as House version.

Sec. 39.035. Criminal Penalty Related to Administration of Assessment Instrument. Among other provisions, provides in Subsection (b) that an administrator, teacher, other employee, contractor, or volunteer of a school district or public charter district commits an offense if the person intentionally takes retaliatory action against a district

Sec. 39.035. Same as House version, except omits Subsection (b) and makes minor wording changes.

SECTION 2D.20. Adds Section 39.035, Education Code, Criminal Penalty Related to Administration of Assessment Instrument. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

employee for reporting an offense under Subsection (a). For purposes of this subsection, retaliatory action includes suspending an employee or terminating an employee's employment.

SECTION 2D.28. Effective August 1, 2006, adds Section 39.036, Education Code, Diagnostic Examination for Certain Students, to require the commissioner adopt a diagnostic examination to assess each student entering a public charter district. The examination must be designed to determine the grade level at which a student is performing. Requires the public charter district, not later than one month after a student enrolls, to administer to the student the diagnostic examination adopted by the commissioner under this section.

No equivalent provision.

Same as Senate version.

SECTION 2D.29. Reenacts and amends Section 39.051(b), Education Code, relating to the academic excellence indicators, as follows: Revises the dropout and completion rates indicator so that the rates are computed for grades 7 through 12 both as a longitudinal rate and an annual completion rate by grade and extends the grade levels covered by this indicator from grades seven through 12. Makes a conforming change to refer *end-of-course* tests. Adds five indicators: (8) *incremental growth in student achievement*, as measured under Section 39.034, aggregated by grade level and subject area; (9) the number and percentage of students at risk of dropping out of school, the number and percentage of those students who are administered each test required under Section 39.023,

SECTION 2C.18. Substantially the same as House version, except as follows: does not revise the dropout rates indicator or make the conforming change referring to end of course tests rather than *exit level* tests; the indicator under Subdivision (8) refers to *student growth in achievement*; and the indicator under Subdivision (17) is not included.

SECTION 2D.21. Same as House version, except does not make the conforming change referring to end of course tests rather than exit level tests and omits the indicator in Subdivision (17)

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

the number and percentage of those students who perform satisfactorily on the assessment instruments, and the results of those students, grouped by number and percentage, on the assessment instruments, disaggregated by subject area and grade level; (15) for limited English proficiency students, a measure of progress toward English language proficiency, as determined by the commissioner, including the student's performance after transferring out of a bilingual education program or instruction in English as a second language; (16) the performance of students who are not educationally disadvantaged on an test under Sections 39.023(a), (b), (c), and (l) and dropout rates and district completion rates for grades 9 through 12 for those students; and (17) the measure of reduction or increase in any disparity between students at risk of dropping out of school and all other students in test results and high school graduation rates.

SECTION 2D.30. Amends Section 39.051(d), Education Code, relating to the academic excellence indicators, to revise the citations to the indicators in Subsection (b).

SECTION 2D.31. Effective August 1, 2006, adds Section 39.0511, Education Code, Indicator for Certain Students, to provided that the academic excellence indicator described by Section 39.051(b)(1) is not considered in determining the performance of a public charter district, and to require the commissioner, in determining the performance of a public charter district, to consider the growth in student achievement of students enrolled at the public charter

SECTION 8.01(a)(4) Repeals Section 39.051(d).

No equivalent provision.

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district, as determined by comparing student performance on the diagnostic examinations administered under Section 39.036 and student performance on assessment instruments required under Section 39.023(a), (c), and (l).

SECTION 2D.32. Amends Section 39.052(b), Education Code, relating to campus report cards, to specify that the report card must include, where applicable, the academic excellence indicators adopted under Sections 39.051(b)(1) through (12).

No equivalent provision. (See SECTION 2G.03 below, which amends Section 39.053(a) to add a different requirement for inclusion in the reports relating to high academic achievement programs.)

SECTION 2D.33. Amends Section 39.055, Education Code, Audit of Dropout Records; Report.

SECTION 2D.34. Amends Sections 39.071 and 39.072, Education Code, as follows:

Sec. 39.071. Accreditation. Among other things, in subsection (c) requires the commissioner, based on a district's performance under Subsection (b), to assign a

SECTION 2C.19. Same as House version, except refers to the indicators adopted under Sections 39.051(b)(1) through (15) and specifically including the indicators adopted under Sections 39.051(b)(9) and (10).

SECTION 2C.20. Amends Section 39.053(a), Education Code, relating to district and campus performance reports, to require such reports to include, among other required items, the academic performance rating for the district and each campus in the district and evidence that the district currently holds International Organization for Standardization ISO 9000 certification for quality management standards or a statement that the district does not hold that certification.

SECTION 2C.21. Same as House version.

SECTION 2C.22. Same as House version, except as follows:

Sec. 39.071. Same as House version, except refers to a district's closure under Section 39.1332 (Closure District or Campus).

SECTION 2D.22. Same as House version.

Same as House version.

SECTION 2D.23. Same as House version.

SECTION 2D.24. Amends those sections same as House version, except as follows:

Sec. 39.071. Same as House version, except refers to a district's closure under *this subchapter*.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district an accreditation status of accredited, accredited-warned, or accredited-probation, or to revoke the district's accreditation and order its closure under *Section 39.131* (Sanctions for Districts).

Sec. 39.072. Academic Accountability.

(a) - (c).

No equivalent provision

(d) Provides that each annual *evaluation* shall include an analysis of the indicators under Section 39.051(b) to determine district and campus performance in relation to certain matters.

(e) Provides that the academic performance rating of a school district may also be lowered based on a determination that data provided to the agency by the district that is necessary for conducting an annual *evaluation* under this section is unreliable.

(f) Sets out provisions relating to notification of certain

Sec. 39.072. Same as House version, except as follows:

(a) - (c). Same as House version.

(d) Requires the agency annually to review the performance of each district and campus and determine if a change in the academic performance rating of the district or campus is warranted. Notwithstanding any other provision of this code, the commissioner shall determine how the indicators adopted under Section 39.051(b) may be used to determine academic performance ratings and to select districts and campuses for acknowledgment.

(e) Same as House version, except refers to *review* rather than *evaluation*.

(f) Same as House version, except refers to *review* rather than *evaluation*.

(g) Same as House version, except omits the requirement

Sec. 39.072. Same as House version, except as follows:

(a) - (c). Same as House version.

(d) Same as Senate version.

(e) Same as Senate version.

(f) Same as Senate version.

(g) Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

school district performance and requires the notice to be provided in English and Spanish and any additional language authorized by the commissioner.

(g) Provides that, notwithstanding any other provision of this code, for purposes of determining the performance of a school district or *public charter district* under this chapter, including the academic performance rating of the district or school, a student attending a campus that is a facility operated by or under contract with the Texas Youth Commission, a pre-adjudication secure detention facility or a post-adjudication secure correctional facility that is registered with the Texas Juvenile Probation Commission, or a residential facility is not considered to be a student of the school district or public charter district school serving the student. *For purposes of this section, an involuntary residential facility, including a detention center, residential treatment center, or psychiatric hospital, is not considered a campus in determining accreditation status.* Deletes a provision that the performance of such a student on an assessment instrument or other academic excellence indicator adopted under Section 39.051 shall be determined, reported, and considered separately from the performance of students attending a school of the district in which the program or facility is physically located.

SECTION 2D.35. Adds Section 39.0722, Education Code, Measure of Postsecondary Preparation, to require the commissioner annually to rate districts according to the degree to which the districts prepare students for college

SENATE VERSION

that notice be given in any particular language.

(h) Same as House version, except refers to an *open-enrollment charter school* rather than a public charter district. Omits the provision that certain entities are not considered a campus for purposes of this section. Provides that the performance of a student who attends such a campus on an assessment instrument or other academic excellence indicator adopted under Section 39.051 shall be determined and reported, but may not be used to determine the rating of the school district or open-enrollment charter school unless the campus is the only campus operated by the district or school, rather than delete the provision.

SECTION 2C.23. Same as House version, except deletes reference to *assessment instruments administered under Section 39.026.*

CONFERENCE

(h) Same as House version.

SECTION 2D.25. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

success, including student performance on *assessment instruments administered under Section 39.0261* and the applicable indicators under Sections 39.051(b) and 39.0721.

SECTION 8.01(f)(4) repeals Section 39.073.

SECTION 2D.36. Amends Section 39.075(a), Education Code, relating to special accreditations investigation.

SECTION 2D.37. Reenacts and amends Section 39.075(c), Education Code, relating to special accreditation investigations.

SECTION 2D.38. Amends Section 39.076(a) and adds (a-1), (a-2), (a-3), and (c), Education Code, relating to the conduct of investigations.

SECTION 2D.39. Adds Sections 39.077, Finality of Decision by Commissioner, and 39.078, Rules, Education Code. In its provisions, refers to a *public charter district*.

SECTION 2D.40. Adds Section 39.113, Education Code,

SECTION 2C.24. Amends Section 39.073(e), Education Code, relating to the gold performance rating program, to require the agency, in determining a district's accreditation rating, to consider the district's current certification status under the International Organization for Standardization ISO 9000 series quality management program certification as described by Section 7.033.

NOTE: SECTION 8.01(a)(4) repeals Section 39.073

SECTION 2C.25. Same as House version.

SECTION 2C.26. Same as House version.

SECTION 2C.27. Same as House version.

SECTION 2C.28. Same as House version, except refers to an *open-enrollment charter school*.

SECTION 2C.29. Same as House version, except that a

Same as House version.

SECTION 2D.26. Same as House version.

SECTION 2D.27. Same as House version.

SECTION 2D.28. Same as House version.

SECTION 2D.29. Same as House version.

SECTION 2D.30. Same as House version, except adds this



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

State Incentive Program for Improving Student Performance on At-Risk Campuses. Creates a program to provide incentive awards for annual growth in student achievement. Makes a school that achieves incremental growth in student achievement eligible for an award if it has a student population of at least 50 percent educationally disadvantaged students, achieves an accreditation performance rating of academically acceptable or better and demonstrates superior growth in the academic performance of educationally disadvantaged students. Among other provisions, provides that grants from funds appropriated for the program *may be awarded beginning the 2006-2007 school year and may not exceed \$100 million in the 2006-2007 school year* except as expressly authorized by the General Appropriations Act or other law.

SECTION 2C.41. Amends Section 39.131, Education Code, Sanctions for Districts. Among its provisions, refers to a *public charter district*.

SECTION 2D.42. Amends Section 39.132, Education Code, Sanctions for Academically Unacceptable *and Certain Other Campuses*, as follows:

Provides that, if a campus performance is below any standard under Section 39.072, it is considered academically unacceptable rather than low-performing. Provides that the commissioner may permit the campus to participate in an innovative redesign of the campus to

SENATE VERSION

school's eligibility requires a student population of at least 65 percent educationally disadvantaged students and the *grants may not exceed \$100 million* except as expressly authorized by the General Appropriations Act or other law.

SECTION 2C.30. Same as House version, except refers to an *open-enrollment charter school* rather than a *public charter district*.

SECTION 2C.31. Amends Section 39.132, Education Code, Sanctions for Academically Unacceptable Campuses, by amending (a) and (b) and adding (a-1)-(a-4) and (c)-(h) as follows:

(a) Same as House version, except does not add sanctions (5) and (6), does not delete (7), and provides for a *student achievement improvement plan*.

CONFERENCE

section *effective August 1, 2006*, provides that grants from funds appropriated for the program *may be awarded beginning the 2007-2008 school year and may not exceed \$100 million in the 2007-2008 school year* except as expressly authorized by the General Appropriations Act or other law

SECTION 2C.31. Same as House version.

SECTION 2D.32. Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

improve campus performance or else the commissioner is required to take any of the sanctions listed by this section. Amends the list of sanctions available to the commissioner. Among other changes to the list, adds a new (5) appointment of a technical assistance team under Section 39.1321; and (6) appointment of a campus intervention team under Section 39.1321 and deletes former sanctions (7) relating to appointing a special campus intervention team and (8) relating to appointing a special board of managers. Amends an existing sanction to order the preparation of a *student improvement plan* that addresses certain needs. Deletes (b)

No equivalent provision.

(a-1) Requires the commissioner, notwithstanding Subsection (a), if a campus has been identified as academically unacceptable under this section or the campus is rated academically acceptable for the current school year but would be rated as academically unacceptable if performance standards to be used for the following school year were applied to the current school year, to select and assign a technical assistance team to assist the campus in executing a school improvement plan and any other school improvement strategies the commissioner determines appropriate. The commissioner shall select and assign the technical assistance team not later than: (1) October 1 after identifying the campus as academically unacceptable or otherwise subject to this subsection; or (2) the 30th day after the date the campus is provided notice that the campus's appeal of its performance rating has been denied.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

(a-2) Requires a technical intervention team assigned under Subsection (a-1) to a campus that is academically unacceptable to conduct a comprehensive on-site evaluation of the campus to determine the cause for the campus's low performance and lack of progress. The team shall have wide latitude to determine what factors to assess and how to do the assessment. Some factors to be considered are: (1) an assessment of the staff to determine the percentage of certified teachers who are teaching in their field, the number of teachers with less than three years of experience, and teacher turnover rates; (2) compliance with the appropriate class size rules and number of class size waivers received; (3) an assessment of the quality, quantity, and appropriateness of instructional materials, including the availability of technology-based instructional materials; (4) a report on the parental involvement strategies and the effectiveness of such strategies; (5) an assessment of the extent and quality of the mentoring program provided for new teachers on that campus; (6) an assessment of the type and quality of the professional development provided to the staff; (7) a demographic analysis of the student population, including student demographics, at-risk populations, and special education percentages; (8) a report of disciplinary incidents and school safety information; (9) financial and accounting practices; and (10) an assessment of appropriateness of the curriculum and teaching strategies.

Same as House version.

No equivalent provision.

(a-3) Upon completion of the evaluation, requires the intervention team to recommend actions, including any necessary reallocation of resources and/or additional funds

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

taken from funds to be set aside by the agency to assist campuses in meeting the standards specified in the intervention plan, technical assistance, changes in school procedures or operations, staff development for instructional and administrative staff, intervention for individual administrators or teachers, waivers from state statute or rule, or other actions the team considers appropriate.

No equivalent provision.

(a-4) Authorizes the commissioner to determine when a technical assistance team's services are no longer needed at a campus under this section. If a campus is considered an academically unacceptable campus under Subsection (a) for the subsequent school year after the campus is reconstituted under this subsection, the commissioner shall pursue alternative management under Section 39.1321.

Same as House version.

Deletes Subsection (b)

(b) Notwithstanding Subsection (a), if a campus has been identified as academically unacceptable for three consecutive school years, including the current school year, requires the commissioner to order the reconstitution of the campus and assign a special campus intervention team. In reconstituting the campus, a special campus intervention team shall assist the campus in: (1) developing a school improvement plan; (2) obtaining approval of the plan from the commissioner; and (3) executing the plan on approval by the commissioner.

Same as House version.

No equivalent provision.

(c) Requires the special campus intervention team to decide which educators may be retained at that campus. A

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

principal who has been employed by the campus in that capacity during the two-year period described by Subsection (b) may not be retained at that campus. A teacher of a subject assessed by an assessment instrument under Section 39.023 may be retained only if the special campus intervention team determines that a pattern exists of significant academic growth by students taught by the teacher. If an educator is not retained, the educator may be assigned to another position in the district.

No equivalent provision.

(d) Requires the special campus intervention team, in developing and executing a school improvement plan under Subsection (b), to: (1) assist the campus in implementing research-based practices for curriculum development and classroom instruction, including bilingual education and special education programs, if appropriate, and financial management; and (2) provide technical assistance based on scientifically based research, including data analysis, academic deficiency identification, intervention implementation, and budget analysis, to strengthen and improve the instructional program at the campus.

Same as House version.

No equivalent provision.

(e) Provides that a special campus intervention team assembled under Subsection (b): (1) shall continue to work with a campus until: (A) the campus is rated academically acceptable for a two-year period; or (B) the campus is rated academically acceptable for a one-year period and the commissioner determines that the campus is operating and will continue to operate in a manner that improves student achievement; and (2) may continually update the school

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

improvement plan, with approval from the commissioner, to meet the needs of the campus.

No equivalent provision.

(f) Notwithstanding any other provision of this subchapter, if the commissioner determines that an intervention under Subsection (b) or Section 39.1321 cannot reasonably be expected to achieve timely improvement at a campus that has been identified as academically unacceptable for three consecutive school years, including the current school year, authorizes the commissioner to order the closure of the campus.

Same as House version.

No equivalent provision.

(g) For the 2005-2006 school year, requires the commissioner to assign a technical assistance team to a campus under Subsection (a-1) on the basis of academic performance ratings for the 2004-2005 school year. The commissioner may impose a sanction on a campus under Subsection (b) or (f) on the basis of academic performance ratings for the 2003-2004 and 2004-2005 school years. This subsection expires September 1, 2007.

Same as House version.

No equivalent provision.

(h) If a campus is considered an academically unacceptable campus under Subsection (a) for the subsequent school year after the campus is reconstituted under Subsection (b), the commissioner shall pursue alternative management under Section 39.1321.

Same as House version.

SECTION 2D.43. Adds Sections 39.1321-39.13245, Education Code, as follows:

No equivalent provision.

SECTION 2D.33. (part) Adds Sections 39.1321-39.1325, Education Code, as follows:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 39.1321. Technical Assistance and Campus Intervention Teams. (a) If a campus is rated academically acceptable for the current school year but would be rated as academically unacceptable if performance standards to be used for the following school year were applied to the current school year, the commissioner shall select and assign a technical assistance team to assist the campus in executing a school improvement plan and any other school improvement strategies the commissioner determines appropriate.

(b) If a campus has been identified as academically unacceptable under Section 39.132, the commissioner shall appoint a campus intervention team.

(c) To the extent practicable, the commissioner shall select and assign the technical assistance team under Subsection (a) or the campus intervention team under Subsection (b) before the first day of instruction for the school year.

(d) The commissioner may determine when the services of a technical assistance team or campus intervention team are no longer needed at a campus under this section.

Sec. 39.1322. Campus Intervention Team Procedures. (a) A campus intervention team shall: (1) conduct a comprehensive on-site evaluation of the campus to determine the cause for the campus's low performance and lack of progress; (2) recommend actions, including reallocation of resources and technical assistance, changes in school procedures or operations, staff development for instructional and administrative staff, intervention for individual administrators or teachers, waivers from state statute or rule, or other actions the team considers

No equivalent provision.

No equivalent provision.

Sec. 39.1321. Same as House version.

Sec. 39.1322. Same as House version, except in Subsection (d)(2) requires the campus intervention team to provide *research-based technical assistance* rather than *technical assistance based on scientifically based research*, and also makes a conforming change in a statutory citation in Subsection (f).

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

appropriate; (3) assist in the development of a school improvement plan for student achievement; and (4) assist the commissioner in monitoring the progress of the campus in implementing the school improvement plan for improvement of student achievement.

(b) A campus intervention team assigned under Section 39.1321 to a campus shall conduct a comprehensive on-site evaluation of the campus to determine the cause for the campus's low performance and lack of progress. The team shall have wide latitude to determine what factors to assess and how to conduct the assessment. Some factors to be considered are: (1) an assessment of the staff to determine the percentage of certified teachers who are teaching in their field, the number of teachers with less than three years of experience, and teacher turnover rates; (2) compliance with the appropriate class-size rules and number of class-size waivers received; (3) an assessment of the quality, quantity, and appropriateness of instructional materials, including the availability of technology-based instructional materials; (4) a report on the parental involvement strategies and the effectiveness of the strategies; (5) an assessment of the extent and quality of the mentoring program provided for new teachers on the campus; (6) an assessment of the type and quality of the professional development provided to the staff; (7) a demographic analysis of the student population, including student demographics, at-risk populations, and special education percentages; (8) a report of disciplinary incidents and school safety information; (9) financial and accounting practices; and (10) an assessment of the appropriateness of the curriculum and teaching strategies.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(c) On completing the evaluation under this section, the campus intervention team shall recommend actions, including: (1) reallocation of resources; (2) distribution of additional funds to the campus from funds set aside by the agency for purposes of assisting campuses in meeting standards specified in the intervention plan; (3) technical assistance; (4) changes in school procedures or operations; (5) staff development for instructional and administrative staff; (6) intervention for individual administrators or teachers; (7) waivers from state statutes or rules; or (8) other actions the campus intervention team considers appropriate.

(d) In executing a school improvement plan developed under Subsection (a)(3), the campus intervention team shall: (1) assist the campus in implementing research-based practices for curriculum development and classroom instruction, including bilingual education and special education programs, if appropriate, and financial management; (2) provide technical assistance based on scientifically based research, including data analysis, academic deficiency identification, intervention implementation, and budget analysis, to strengthen and improve the instructional programs at the campus; and (3) submit the school improvement plan to the commissioner for approval.

(e) A campus intervention team appointed under Section 39.1321(b): (1) shall continue to work with a campus until: (A) the campus is rated academically acceptable for a two-year period; or (B) the campus is rated academically acceptable for a one-year period and the commissioner determines that the campus is operating and will continue

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

to operate in a manner that improves student achievement; and (2) may continually update the school improvement plan, with approval from the commissioner, to meet the needs of the campus.

(f) Notwithstanding any other provision of this subchapter, if the commissioner determines that a campus for which an intervention is ordered under Section 39.1321(b) is not fully implementing the campus intervention team's recommendations or school improvement plan, the commissioner may order the reconstitution of the campus, pursue alternative management of the campus as provided by Section 39.1325, or order closure of the campus.

Sec. 39.1323. Mandatory Sanctions. (a) If a campus has been identified as academically unacceptable for a period of two consecutive school years, including the current school year, the commissioner shall order the reconstitution of the campus and assign a campus intervention team. In determining whether a campus is rated academically unacceptable for a second year under this subsection, dropout rates and completion rates may not be considered. In reconstituting the campus, a campus intervention team shall assist the campus in: (1) developing a school improvement plan; (2) obtaining approval of the plan from the commissioner; and (3) executing the plan on approval by the commissioner.

(b) The campus intervention team shall decide which educators may be retained at that campus. A principal who has been employed by the campus in that capacity during the two-year period described by Subsection (a) may not be retained at that campus. A teacher of a subject assessed by

No equivalent provision.

Sec. 39.1323. Same as House version, except makes a conforming change in a statutory citation in Subsections (d), (e), and f.).

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

an assessment instrument under Section 39.023 may be retained only if the campus intervention team determines that a pattern exists of significant academic growth by students taught by the teacher. If an educator is not retained, the educator may be assigned to another position in the district.

(c) A campus subject to Subsection (a) shall implement the school improvement plan as approved by the commissioner. The commissioner may appoint a monitor, conservator, management team, or a board of managers to the district to ensure and oversee the implementation of the school improvement plan.

(d) Notwithstanding any other provision of this subchapter, if the commissioner determines that a campus subject to Subsection (a) is not fully implementing the school improvement plan, the commissioner may pursue alternative management of the campus as provided by Section 39.1325, or may order closure of the campus.

(e) If a campus is considered an academically unacceptable campus for more than two consecutive school years, the commissioner may order reconstitution or closure of the campus or pursue alternative management under Section 39.1325.

(f) If a campus is considered an academically unacceptable campus for the subsequent school year after the campus is reconstituted under this section, the commissioner shall pursue alternative management under Section 39.1325.

Sec. 39.1324. Exception To Mandatory Sanctions: Public Charter Districts. Notwithstanding Section 39.131 or 39.1323, before ordering the closure or reconstitution of a

No equivalent provision.

Sec. 39.1324. Same as House version, except applies to the closure or reconstitution of a public charter district identified as academically unacceptable for a period of

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

public charter district identified as academically unacceptable for a period of two consecutive school years, the commissioner shall assign a technical assistance and campus intervention team to determine appropriate action to take regarding the public charter district, which may include closure, reconstitution, or continued operation with operational improvements. The technical assistance and campus intervention team shall operate in the same manner provided by Section 39.1322.

Sec. 39.13245. Transitional Sanctions Provisions. for the 2005-2006 school year, the commissioner shall assign a campus intervention team or a technical assistance team to a campus under Section 39.1321 on the basis of academic performance ratings for the 2004-2005 school year. The commissioner may impose a sanction on a campus under Section 39.1322(f) or 39.1323(a) or (e) on the basis of academic performance ratings for the 2004-2005 school year and the 2005-2006 school year. A sanction ordered by the commissioner before July 1, 2005, shall remain in effect for the 2005-2006 school year. The commissioner may allow a principal subject to Section 39.1323(b) to remain at a campus for the 2005-2006 school year. This section expires September 1, 2007.

SECTION 2D.44. Adds Sections 39.1325 and 39.1326, Education Code, as follows:

Sec. 39.1325. Management of Certain Academically Unacceptable Campuses. Among other provisions,

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No equivalent provision.

SECTION 2C.32. Adds Sections 39.1321 and 39.1322, Education Code, as follows:

Sec. 39.1321. Similar to House version. Provides that, *except as provided by Section 39.132(f)*, a campus is

172

*more than* two consecutive school years.

Sec. 39.1325. Same as House version, except changes each reference to a school year to refer to the following school year instead.

SECTION 2D.33. (part) Adds Sections 39.1326 and 39.1327, Education Code, as follows:

Sec. 39.1326. Same as House version.

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

provides that a campus *may be subject* to this section if the campus has been identified as academically unacceptable under Section 39.132 and the commissioner orders alternative management under Section 39.1323(e) or (f), and provides that to qualify for consideration as a managing entity, entities must have a proven ability to *apply research-based school intervention strategies*.

Sec. 39.1326. Review of Sanctions for Campuses Serving Residential Facilities.

(a) Allows a district or public charter district to petition the commissioner to review an academically unacceptable rating assigned to a campus if the campus predominantly served students residing in a residential facility during the rating period.

(b) Allows the commissioner, on a finding that the basis for identifying the campus as academically unacceptable was limited to a condition that was not related to the educational facility's purpose, to change, modify, or suspend the academically unacceptable rating or to impose any other authorized sanction.

(c) Allows the commissioner to consider a factor other than one used to assign a rating in evaluating a campus under this section, and to assign a *campus* intervention team under Section 39.1321 at the district's or public charter district's expense as provided by Section 39.134 to develop a long-term intervention plan to improve services for students.

(d) Allows the commissioner, on a finding that a campus subject to this section is appropriately meeting its students' educational needs, to waive revocation of a public charter

SENATE VERSION

*subject* to this section if the campus has been identified as academically unacceptable under Section 39.132(a) *for the subsequent school year after the campus is reconstituted under Section 39.132(a-4) or (b)* and provides that the managing entity must have a proven ability to *apply scientifically based research to school intervention strategies*.

Sec. 39.1322. Same as House version, except in Subsection (c) refers to a *special campus* and makes a conforming change; in Subsection (d) specifies the waiver is under Section 11A.107(b); and in Subsection (e) makes a conforming change.

CONFERENCE

Sec. 39.1327. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district for a period not to exceed two years but subject to two-year extensions based on subsequent evaluations of the campus.

(e) Provides that this section does not limit the commissioner's ability to sanction a public charter district for the performance of a campus subject to this section or any other law

(f) Provides that a decision by the commissioner under this section is final and may not be appealed.

SECTION 2D.45. Amends Section 39.133, Education Code, Annual Review.

No equivalent provision.

SECTION 2C.33. Same as House version.

SECTION 2C.34. Adds Sections 39.1331, 39.1332, and 39.1333, Education Code, as follows:

Sec. 39.1331. Acquisition of Professional Services. In addition to other sanctions authorized under Sections 39.131 and 39.132, allows the commissioner to order a school district or campus to acquire professional services at district or campus expense to address the applicable financial, assessment, data quality, program, or governance deficiency. The commissioner's order may require the district or campus to select an external auditor, data quality expert, professional authorized to monitor district test administration, or curriculum or program expert; or provide for the appropriate training of district staff, board of trustees members, or campus staff, as applicable.

Sec. 39.1332. Closure of School District or Campus. (a) Allows the commissioner to revoke a district's accreditation and order the closure of the district or a campus, as

SECTION 2D.34. Same as House version.

SECTION 2D.35. Same as Senate version, except corrects a statutory citation in Section 39.1332(a)(1).

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

appropriate, if: (1) the commissioner is authorized to close the district or campus under Section 39.131(a)(10) or 39.132(f); (2) the commissioner determines that the district is insolvent and unable to complete the school year; or (3) the commissioner determines that the district has ceased operations for 11 or more instructional days during the current or most recent scheduled school year without the commissioner's authorization.

(b) Requires the commissioner to issue an order of closure that includes provisions necessary for the continuation of the education of students enrolled in the district or campus, including annexation to one or more adjoining districts as provided by Section 13.054. An order of closure may: (1) establish an effective date for accreditation revocation and closure that is not later than the first anniversary of the date of the order; (2) provide for an interim board of managers to exercise the duties of the district's board of trustees as designated by the commissioner; (3) require enrollment or student services to be provided by another district as necessary to allow students enrolled in the closed district to complete a school year, and make adjustments in the state and federal funding to which the district would otherwise be entitled as determined by the commissioner; and (4) require the preservation, transfer, or surrender of all student records and other records required for an audit of any state and federal funding provided to the district.

(c) Makes it an offense punishable under Section 37.10(c)(2), Penal Code, to intentionally destroy, conceal, or tamper with a record that is required to be preserved, transferred, or surrendered under Subsection (b)(4).

(d) Allows a board of managers exercising authority under

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Subsection (b)(2) to exercise the authority of the board of trustees with regard to the district's financial management and personnel actions. The board of managers is not required to be composed of residents of the district.

(e) Provides that an open-enrollment charter school ordered closed under this section is not entitled to a separate hearing concerning the revocation or nonrenewal of the charter under Section 12.116.

Sec. 39.1333. Finality of Decision By Commissioner. (a) Requires a district or open-enrollment charter school wishing to challenge a decision to impose a sanction under this subchapter, including a decision to close a district, school, or campus under Section 39.1332, to petition for an informal review as provided by Section 7.0571.

(b) Provides that a decision by the commissioner to impose a sanction under this subchapter, including a decision to close a school district or a campus under Section 39.1332, following a review under Section 7.0571 is final and may not be appealed.

(c) Prohibits a school district from collaterally contesting an academic performance rating or other accreditation standard as part of the review of a sanction if a review opportunity has already been provided for the academic performance rating.

SECTION 2D.46. Amends Section 39.134, Education Code, Costs Paid By District, to include the costs of providing a technical assistance team or managing entity under Section 39.1321 among the costs to be borne by a district.

SECTION 2C.35. Same as House version, except also includes the cost of providing a service provider under Section 39.1331.

SECTION 2D.36. Same as Senate version, except makes a conforming change in the statutory citation for the technical assistance team or managing entity.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2D.47. Adds Section 39.1371, Education Code, Intervention Operations, as follows:

(a) Makes the agency responsible for managing an intervention of a campus subject to sanctions under this subchapter.

(b) Requires a prospective intervention manager in the school intervention management division to demonstrate: (1) a proven ability to implement whole school interventions that increase the educational and performance levels of students in low-performing campuses; (2) a proven record of effectiveness with programs assisting low-performing students; (3) a proven ability to apply scientifically based research to school intervention strategies; and (4) any other factor the commissioner determines necessary.

(c) Requires the agency to monitor the progress of technical assistance teams and *campus intervention teams* appointed by the commissioner and to supervise the activities of the management entities under Section 39.1325.

(d) Requires the agency to: (1) establish by rule and publish school improvement objectives; (2) advocate for the increased use of research-based effective practices; and (3) coordinate campus improvement activities of the agency and regional education service centers.

(e) Allows the commissioner to contract for services under

SENATE VERSION

SECTION 2C.36. Same as House version, except as follows:

(a) Same as House version.

No equivalent provision.

(b) Same as House version, except refers to *special campus intervention teams* and makes a conforming change.

(c) Same as House version.

(d) Same as House version.

CONFERENCE

SECTION 2D.37. Same as House version, except as follows:

(a) Same as House version.

Same as Senate version.

(b) Same as House version, except also makes a conforming change in the statutory citation for the managing entity activities.

(c) Same as House version.

(d) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

this section.

SECTION 2D.48. Amends Section 39.182(a), Education Code, *as amended by S.B. No. 42, Acts of the 79th Legislature, Regular Session, 2005*, to require the agency's comprehensive annual report to include, among other provisions a summary compilation of the percentage of graduating students who attain scores on the end-of-course tests required under Section 39.023(c) that are equivalent to a passing score on the test required under Section 51.3062 and a statement of the percentage of students scoring at the proficient and advanced levels on the National Assessment of Educational Progress. The S.B. 42 amendment required the report to include a summary of the information required by Section 38.0141 regarding student health and physical activity from each school district.

SECTION 2D.49. Section 39.182(b), Education Code, is amended to read as follows:

(b) In reporting the information required by Subsection (a)(4) or (5) [~~(a)(3) or (4)~~], the agency may separately aggregate the performance data of students enrolled in a special education program under Subchapter A, Chapter 29, or a bilingual education or special language program under Subchapter B, Chapter 29.

SECTION 2D.50. Adds Sections 39.182(b-1) and (b-2), Education Code, relating to the comprehensive annual reports, to add a requirement, beginning January 1, 2009.

SECTION 2C.37. Similar to House version. Amends Section 39.182(a) as it existed before its amendment. Does not include the S.B. 42 reporting requirement and also does not include the requirement for including the summary compilation of the percentage of graduating students who attain scores on the end-of-course tests required under Section 39.023(c) that are equivalent to a passing score on the test required under Section 51.3062. Also does not include the requirement to include a statement of the percentage of students scoring at the proficient and advanced levels on the National Assessment of Educational Progress.

No equivalent provision.

SECTION 2C.39. Same as House version.

SECTION 2D.38. Same as House version, except requires a summary compilation in regards to student scores on the *secondary exit-level* tests, rather than on the end-of-course tests.

SECTION 2D.39. Same as House version.

SECTION 2D.40. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

See SECTION 3.23. below.

No equivalent provision.

SECTION 2D.41. Amends Section 39.183, Education Code, Regional and District Level Report, to make a conforming statutory citation change.

SECTION 2D.51. Amends Section 39.202 (a), Education Code, Development and Implementation, to require the commissioner, in consultation with the comptroller, to develop and implement a financial accountability rating system for school districts in this state *that includes procedures for: (1) providing additional transparency to public education finance; (2) establishing financial accountability standards commensurate with academic standards reaching to the campus level; and (3) enabling the commissioner and district administrators to provide meaningful financial oversight and improvement.*

SECTION 2C.38. Amends Section 39.202(a), Education Code, to require the commissioner, in consultation with the comptroller, to develop and implement a financial accountability rating system for school districts in this state *that distinguishes among districts' varying levels of financial performance.*

SECTION 2D.42. Requires the commissioner, in consultation with the comptroller, to develop and implement a financial accountability rating system for school districts in this state that distinguishes among districts' varying levels of *financial performance and includes procedures for (1) providing additional transparency to public education finance; and (2) enabling the commissioner and district administrators to provide meaningful financial oversight and improvement.*

SECTION 2D.52. Amends Section 39.203(b), Education Code, relating to financial management reporting, to require a district's annual financial management report to include a description of its actual expenditures for each campus for the standards described by Section 39.202(c), any difference between those campus expenditures and the foundation school program allotments received for the campus.

No equivalent provision.

SECTION 2D.43. Same as House version.

SECTION 2D.53. Adds Section 39.205, Education Code, Report to Legislature.

SECTION 2C.40. Same as House version.

SECTION 2D.44. Same as House version.

SECTION 2D.54. Adds Section 44.0073, Education Code, Instructional Costs.

SECTION 2C.41. Same as House version.

No equivalent provision.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2D.55. Amends Section 51.3062(q), Education Code, relating to the success initiative, to make conforming changes relating to the requirement for end-of-course tests in lieu of the exit-level tests.

No equivalent provision.

Same as Senate version.

SECTION 2D.56. (a) Requires the Texas Education Agency, not later than the 2006-2007 school year, to collect information concerning: (1) incremental growth in student achievement for purposes of Section 39.051(b)(8), Education Code, as amended by this Act; and (2) the measure of progress toward English language proficiency for purposes of Section 39.051(b)(15), Education Code, as added by this Act.

No equivalent provision.

SECTION 2D.45. Same as House version, except requires the agency to collect the information not later than the 2007-2008 school year and to include the added factors in evaluating performance not later than the 2008-2009 school year..

(b) Requires the agency, not later than the 2007-2008 school year, to include, in evaluating the performance of school districts, campuses, and public charter districts under Subchapter D, Chapter 39, Education Code: (1) incremental growth in student achievement under Section 39.051(b)(8), Education Code, as amended by this Act; and (2) the measure of progress toward English language proficiency under Section 39.051(b)(15), Education Code, as added by this Act.

No equivalent provision.

No equivalent provision.

SECTION 2D.46. Requires the commissioner of education to develop and implement the reporting procedures for: (1) districts to prepare and distribute annual financial management reports under Section 39.203, Education Code, as amended by this Act, beginning with the 2007-2008 school year; and (2) campuses to provide financial information under Section 39.202, Education Code, as

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2D.57. Requires the commissioner of education to develop and implement the reporting procedures for: (1) districts to prepare and distribute annual financial management reports under Section 39.203, Education Code, as amended by this Act, beginning with the 2006-2007 school year; and (2) campuses to provide financial information under Section 39.202, Education Code, as amended by this Act, beginning with the 2007-2008 school year.

PART E. INSTRUCTIONAL MATERIALS

SECTION 2E.01. Adds Section 7.030, Education Code, Review of State-Funded and Federally Funded Grant Programs. (a) Requires the agency to conduct a review of state-funded and federally funded grant programs and certain incentives to determine the extent to which funds awarded under those programs may be used to enhance the use of technology in public schools. Allows the commissioner to issue waivers, as appropriate. (b) requires the agency to submit a report regarding the findings of the review to the legislature not later than December 1, 2006.

SECTION 2E.02. Amends Section 7.055(b)(28), Education Code, relating to commissioner powers and duties, to replace a reference to textbooks with a reference to instructional materials.

No equivalent provision.

PART D. INSTRUCTIONAL MATERIALS

No equivalent provision.

SECTION 2D.01. Same as House version.

amended by this Act, beginning with the 2008-2009 school year.

Same as Senate version.

SECTION 2E.01. Same as House version.

SECTION 2E.02. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2E.03. Amends Section 7.056(f), Education Code, relating to waivers and exemptions, to replace a reference to textbooks with a reference to instructional materials.

SECTION 2D.02. Same as House version.

SECTION 2E.03. Same as House version.

SECTION 2E.04. Amends Section 7.102(c)(23), Education Code, relating to State Board of Education powers and duties, to replace a reference to textbooks with a reference to instructional materials.

SECTION 2D.03. Same as House version.

SECTION 2E.04. Same as House version.

SECTION 2E.05. Amends Sections 7.108(a) and (c), Education Code. (a) Replaces references to textbooks with references to instructional materials. (c) Defines "instructional material" and deletes the definition of "textbook."

SECTION 2D.04. Amends Sections 7.108(a) and (c), Education Code. (a) Same as House version, except also adds a publisher of instructional materials to persons prohibited from certain political contributions. (c) Same as House version, except also defines "publisher."

SECTION 2E.05. Same as House version.

SECTION 2E.06. Amends the heading to Section 7.112, Education Code.

SECTION 2D.05. Same as House version.

SECTION 2E.06. Same as House version.

SECTION 2E.07. Amends Section 7.112(a), Education Code, relating to former board members' representation of publisher, to replace references to textbooks with references to instructional materials.

SECTION 2D.06. Same as House version.

SECTION 2E.07. Same as House version.

SECTION 2E.08. Amends Section 7.112(c)(2), Education Code, relating to representation of publisher by former board members, to replace the definition of "textbook" with a definition of "instructional material."

SECTION 2D.07. Same as House version.

SECTION 2E.08. Same as House version.

SECTION 2E.09. Amends Section 11.158(b), Education

SECTION 2D.08. Same as House version.

SECTION 2E.09. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Code, relating to a board of trustees' authority to charge fees, to replace a reference to textbooks with a reference to instructional materials.

SECTION 2E.10. Amends Section 11.164(a), Education Code, relating to restrictions on written information required of a teacher, to replace a reference to textbooks with a reference to instructional materials.

SECTION 2E.11. Amends Section 19.007(e), Education Code, relating to costs of the Windham School District to be borne by the state, to replace a reference to textbooks with a reference to instructional materials.

SECTION 2E.12. Amends Sections 26.006(a) and (c), Education Code, relating to parental access to teaching materials, to replace references to textbooks with references to instructional materials. In (c) also entitles a student's parent to request that the *public school* the student attends allow the student to take home any instructional materials.

SECTION 2E.13. Amends Sections 28.002(c) and (h), Education Code, relating to the requirement that the State Board of Education identify essential knowledge and skills of each subject of the required curriculum, to replace references to textbooks with references to instructional materials.

SECTION 2E.14. Adds Section 28.010, Education Code,

SECTION 2D.09. Same as House version.

SECTION 2D.10. Same as House version.

SECTION 2D.11. Same as House version, except in (c) entitles the student's parent to make that request to the *school district or open-enrollment charter school* the student attends.

SECTION 2D.12. Same as House version, except also amends (h), which requires the SBOE to foster continuation of the tradition of teaching U.S. and Texas history and the free enterprise system regular subject matter and reading courses, to add the teaching of that matter in social studies and economic courses.

No equivalent provision.

SECTION 2E.10. Same as House version.

SECTION 2E.11. Same as House version.

SECTION 2E.12. Same as House version.

SECTION 2E.13. Same as House version.

SECTION 2D.13. Adds Section 39.0233, Education Code,

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Computer-Adaptive Assessment Tools, as follows:

(a) Requires the agency to develop or acquire computer-adaptive interactive assessment tools for each subject and grade level for which an assessment instruments are adopted under Section 39.023.

(b) Requires the agency, from funds appropriated for the purpose, to make the tools available to public schools at no cost from funds appropriated for the purpose.

SECTION 2E.15. Amends the heading to Chapter 31, Education Code, as follows: Chapter 31. Instructional Materials [~~Textbooks~~]

SECTION 2E.16. Amends Section 31.001, Education Code, Free Instructional Materials [~~Textbooks~~], to replace references to textbooks with references to instructional

SECTION 2D.13. Same as House version.

SECTION 2D.14. Same as House version, except omits the reference to the constitutional provision.

Computer-Adaptive Assessment Tools, as follows:

(a) *Subject to the discretion of the commissioner regarding subjects and grade levels*, requires the agency shall develop or acquire ongoing, computer-adaptive, interactive assessment tools for each subject and grade level for which an assessment instrument is adopted under Section 39.023.

(b) Requires the commissioner to set aside an appropriate amount, not to exceed \$11.5 million each year, from the Foundation School Program to pay the cost of developing or acquiring assessment tools under this section and to reduce each district's tier 1 allotment proportionately, which reduction does not affect the computation of the guaranteed amount of revenue per student per cent of tax effort under Section 42.252.

(b-1) Subsection (b) applies beginning with the fiscal year beginning September 1, 2006. This subsection expires September 1, 2007.

(c) Requires any amount set aside under this section to be approved by the LBB and the governor's office of budget, planning, and policy.

(d) Requires the agency to make the tools available to public schools at no cost.

SECTION 2E.14. Same as House version.

SECTION 2E.15. Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

materials in both the section heading and in the text, and to require that such instructional materials be furnished without cost to students *in accordance with Section 3(b), Article VII, Texas Constitution.*

SECTION 2E.17. Amends Section 31.002(1), (2) and (4), Education Code, Definitions, as follows:

(1) "Instructional material" ["Electronic textbook"] means a medium for conveying information to a student. The term includes a book, supplementary materials, a combination of a book and supplementary materials, computer software, *interactive videodisc,* magnetic media, CD-ROM, computer courseware, on-line services, an electronic medium, or other means of conveying information to the student or otherwise contributing to the learning process through electronic means.

(2) "Publisher" means a person who prepares instructional materials for sale or distribution to educational institutions. The term includes an on-line service or a developer or distributor of [an] electronic instructional materials [textbook].

SECTION 2E.47 repeals Section 31.002(3).

SECTION 2D.15. Same as House version, except as follows:

In this chapter:

(1) "Instructional material" ["Electronic textbook"] means a medium or a combination of media for conveying information to a student. The term includes a book, supplementary materials, a combination of a book, workbook, supplementary materials, computer software, *[interactive videodisc,]* magnetic media, *DVD,* CD-ROM, computer courseware, on-line services, or an electronic medium, or other means of conveying information to the student or otherwise contributing to the learning process through electronic means.

(2) "Publisher" means a person who prepares, manufactures, or distributes instructional materials for sale or distribution to public schools. The term includes an on-line service or a developer or distributor of [an] electronic instructional materials [textbook].

(3) "State-adopted" means adopted by the State Board of Education under Section 31.024 ~~["Textbook" means a book, a system of instructional materials, or a combination of a book and supplementary instructional materials that~~

SECTION 2E.16. Same as House version, except as follows:

(1) Same as Senate version.

(2) Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

~~conveys information to the student or otherwise contributes to the learning process, or an electronic textbook].~~

(4) "Technological equipment" means hardware, a device, or equipment necessary for:  
(A) instructional use in the classroom, including to gain access to or enhance the use of ~~an~~ electronic instructional materials ~~textbook~~; or  
(B) professional use by a classroom teacher.

(4) Same as House version.

(4) Same as House version.

SECTION 2E.18. Amends Section 31.003, Education Code, Rules. Replaces a reference to textbooks with a reference to instructional materials. Requires, rather than authorizes, the SBOE to adopt rules for the approval, rather than adoption, requisition, distribution, care, use, and disposal of the materials.

SECTION 2D.16. Similar to House version. Amends Section 31.003, Education Code, Rules, only to replace a reference to textbooks with a reference to instructional materials.

SECTION 2E.17. Same as House version.

SECTION 2E.19. Amends the heading to Subchapter B, Chapter 31, Education Code, as follows: SUBCHAPTER B. STATE APPROVAL ~~[FUNDING, ADOPTION, AND PURCHASE]~~

No equivalent provision.

SECTION 2E.18. Same as House version.

No equivalent provision.

SECTION 2D.17. (part) Amends Subchapter B, Chapter 31, Education Code, by amending Sections 31.021-31.024 and adding Sections 31.0211, 31.0212, 31.022, 31.0221, as follows:

SECTION 2E.19. Amends Section 31.021, Education Code, as follows:

SECTION 2E.47 repeals Section 31.021.

Sec. 31.021. State Instructional Materials ~~[Textbook]~~ Fund. (a) Provides that the state instructional materials fund, rather than the textbook fund, consists of an amount

Sec. 31.021. (a) Same as Senate version.  
(b) Requires the SBOE annually to set aside out of the available school fund of the state an amount sufficient for

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

set aside by the State Board of Education from the available school fund, computed in accordance with this section, and all amounts lawfully paid into the fund from any other source. Deletes reference to proceeds from the sale of used textbooks.

(b) Requires the SBOE annually to set aside out of the available school fund of the state an amount sufficient for the instructional materials allotment to provide *school districts and open-enrollment charter schools* with the funds required to purchase and distribute the necessary state-adopted instructional materials for the following school year. Requires the board to determine the amount of the available school fund to set aside for the state instructional materials fund based on the amount of the *allotment under Section 31.0211 and on reports of maximum attendance and anticipated enrollment growth submitted under Section 31.103* and deletes provisions describing the former bases for the board's determination.

(d) Makes conforming changes.

Sec. 31.0211. Instructional Materials Allotment. (a) For the maximum attendance and anticipated enrollment growth reported under Section 31.103 in a school year, entitles a school district to an annual allotment of \$70 for each student or a greater amount provided by appropriation, to be paid from the state instructional materials fund. Allows the commissioner to determine for each district the amount of anticipated enrollment growth for which an allotment is provided.

(b) Restricts funds allotted under this section only to the

the instructional materials allotment to provide *public schools* with the funds required to purchase and distribute the necessary state-adopted instructional materials for the following school year. Requires the board to determine the amount of the available school fund to set aside for the state instructional materials fund based on the amount of the *instructional materials and technology allotment under Section 32.005(a)* and deletes provisions describing the former bases for the board's determination.

(c) Provides that this subsection applies only if the pilot project established under Section 54.2161 is implemented, and it expires August 15, 2009. Requires the SBOE annually to set aside out of the available school fund an amount sufficient for each district with one or more students entitled to free textbooks under the pilot project to pay the costs of those textbooks as required by Section 31.031 for the following year. Requires the board to determine the amount to set aside based on the commissioner's estimate of the amount necessary.

(d) Same as Senate version.

Same as House version.

No equivalent provision.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

purchase of state-adopted instructional materials or instructional materials authorized by commissioner waiver.  
(c) This section applies beginning with the 2007-2008 school year. This subsection expires September 1, 2008.

No equivalent provision.

Sec. 31.0212. Instructional Materials Allotment for Juvenile Justice Alternative Education Programs. (a) Entitles a juvenile justice alternative education program operating under Section 37.011 to an instructional materials allotment for the purchase of state-adopted instructional materials as if it were a school district or open-enrollment charter school.  
(b) Requires the State Board of Education, in coordination with the Texas Juvenile Probation Commission, to adopt rules as necessary to administer this section.  
(c) Notwithstanding Section 31.0211(c), entitles a juvenile justice alternative education program to the annual allotment described by Section 31.0211(a) beginning with the 2005-2006 school year. This subsection expires September 1, 2008.

Same as House version.

SECTION 2E.47 repeals Section 31.022.

Sec. 31.022. Instructional Materials [~~Textbook~~] Review And Adoption Cycle. Replaces references to textbooks with references to instructional materials. Requires the board to adopt rules to provide for a full and complete investigation of instructional materials for each subject in the enrichment curriculum on a cycle the board considers appropriate, but provides that the cycle may not be less than every eight years. Requires the board, in organizing the cycle for review and adoption of instructional materials,

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

to: (1) generally align the cycle with the schedule for any revision of the essential knowledge and skills under Section 28.002 of the subjects and grade levels addressed by the instructional materials; (2) seek advice from the Legislative Budget Board and the governor's office of budget, planning, and policy before approving and publishing any notice or amendment of the cycle; (3) review and consider expected average costs of the instructional materials that will be adopted and the amount of the instructional materials allotment to ensure that the amount of the instructional materials that will be adopted over a two-year period may be purchased within the amount of the instructional material allotment for that same period; and (4) follow any directive provided in the General Appropriations Act regarding the organization of the cycle. (f) Requires the board, in addition to organizing a review and adoption cycle, by rule to allow an instructional material to be submitted, reviewed, and adopted at a time when the subject or grade level is not scheduled in the cycle to be considered for at least two years, in conformance with the procedures for adoption of other state-adopted instructional materials. The board shall place each instructional material submitted under this subsection and adopted under Section 31.024 on an applicable list under Section 31.023.

No equivalent provision.

Sec. 31.0221. Correction of Factual Errors. (a) To promote efficiency in the correction of factual errors during the instructional materials review and *adoption* process, requires the State Board of Education to: (1) to the extent practicable, conduct the review of instructional materials

SECTION 2E.20. (part) Adds Section 31.0252, Education Code, Correction of Factual Errors. Substantially the same as Senate version, except refers to the *approval process* rather than the adoption process, and to instructional materials *submitted for approval*, rather than proposed for

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

using page proofs or other appropriate draft versions of the instructional materials; and (2) require the publisher to provide instructional materials, including page proofs, draft versions, or sample instructional materials, directly to state instructional materials review panel members in a timely manner before the members meet to conduct a complete and formal review of the materials.

(b) Requires the publisher of instructional materials *proposed for adoption* in this state, during the instructional materials review and *adoption* process, to promptly correct any factual errors discovered in the instructional materials. Defines, for purposes of this section, factual error.

(c) Allows the State Board of Education, if it determines that an instructional material *proposed for adoption* may contain a factual error, to appoint a panel of experts and scholars to evaluate the material for any factual error.

(d) Requires the board to adopt rules authorizing the imposition of an administrative penalty in the manner provided by Section 31.151 against a publisher who knowingly violates Subsection (b). Requires the board, in setting the amount of any penalty to be imposed under this subsection, to consider the stage of the instructional materials review and adoption process at which the violation occurs and set progressively higher penalties for violations that occur later in the process.

adoption.

SECTION 2E.47 repeals Section 31.023.

Sec. 31.023. ~~[Textbook]~~ Lists of State-Adopted Instructional Materials. Replaces references to textbooks with references to instructional materials or state-adopted instructional materials.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2E.47 repeals Section 31.024.

Sec. 31.024. Adoption By State Board of Education. Replaces references to textbooks with references to instructional materials or state-adopted instructional materials. Requires each nonconforming list to include the reasons an adopted instructional material is not eligible for the conforming list, and a list of the essential knowledge and skills contained in an adopted instructional material on the nonconforming list.

Same as House version.

SECTION 2E.20. Adds Sections 31.0251 and 31.0252, Education Code, as follows:

No equivalent provision.

SECTION 2E.20. (part) Adds Sections 31.0251 and 31.0253, Education Code, as follows:

Sec. 31.0251. Submission of Instructional Materials; Review. Allows a publisher at any time to submit an instructional material to the SBOE for approval. Requires the publisher to include with the submission certain information that identifies essential knowledge and skills that the material covers. Requires the board to review the material and determine if the essential knowledge and skills identified are covered in the material.

No equivalent provision.

Sec. 31.0251. Same as House version, except also requires the board to identify the degree to which the instructional material complies with the essential knowledge and skills.

Sec. 31.0252. Approval by State Board of Education. (a) Requires the board to meet biannually to approve submitted instructional materials.

No equivalent provision.

Sec. 31.0253. Same as Sec.31.0252 in House version, except in Subsection (d) requires the board to remove approved instructional materials that it determines no longer *align with* the essential knowledge and skills.

(b) Includes provisions relating to the procedures required for board approval.

(c) Requires that the material be free from factual errors.

(d) Requires the board to periodically review approved instructional materials and, by majority vote, remove approved instructional materials that it determines no

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

longer *adequately cover the appropriate* essential knowledge and skills.

SECTION 2E.21. Amends Sections 31.026-31.030, Education Code, as follows:

Sec. 31.026. Contract; Price. (a) Requires the *Department of Information Resources to execute contracts* for the purchase or licensing of *each approved* instructional material. Deletes references to the board's contracting authority.

(b) A contract must require the publisher to provide all of the *approved* instructional materials required by *public schools* in this state for the term of the contract.

(c) As applicable, a contract must provide for the purchase or licensing of instructional materials at a price *determined through negotiation between the publisher and the Department of Information Resources that does not exceed* the lowest price paid by any other state or any school or school district. The price must be fixed for the term of the contract.

(d) Requires the Department of Information Resources to execute a blanket purchase order with the publisher of an approved instructional material and allows a district to

SECTION 2D.17. (part) Same as House version, except as follows:

Sec. 31.026. Contract; Price. (a) Requires the *commissioner, with the assistance of the Department of Information Resources, the State Board of Education, and the office of the attorney general, to develop model contracts that may be used by school districts and open-enrollment charter schools* for the purchase or licensing of instructional materials *under this chapter*. Deletes references to the board's contracting authority.

(b) A contract must require the publisher to provide all of the instructional materials required by *school districts* in this state for the term of the contract.

(c) As applicable, a contract must provide for the purchase or licensing of instructional materials at a *specific* price, *which may not exceed the lowest price paid by any other state or any school or school district*. The price must be fixed for the term of the contract. *The price may decrease if the lowest price paid by another state or another school or school district decreases during the term of the contract*.

No equivalent provision.

SECTION 2E.21. Amends Sections 31.026-31.030, Education Code, as follows

Sec. 31.026. (a) Includes both House and Senate provisions, except in the Senate provision refers to model contracts that may be used by *public schools* rather than by districts and open-enrollment charter schools.

(b) Same as House version, except specifies a *contract for the purchase or licensing of instructional materials*.

(c) Same as House version, except refers to a price determined through negotiation between the publisher and the Department of Information Resources, *or the public school, as applicable*.

(d) Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

requisition instructional materials under the purchase order.

(e) Requires the agency and the Department of Information Resources to enter into an interagency contract specifying each agency's duties regarding the purchasing and licensing of instructional materials.

(f) Allows the contract to allow the publisher of an approved instructional material to update the material as provided by Section 31.033.

Sec. 31.027. Information To *Public Schools*; Sample Copies. (a) Requires a publisher to provide each *public school* with information that fully describes each of the publisher's *approved* instructional materials. Deletes a provision requiring a publisher to provide a sample copy of an adopted textbook on a school district's request.

(b) Requires a publisher to provide at least two sample copies of each *approved* instructional material to be maintained at each regional education service center.

Sec. 31.028. Special Instructional Materials [~~Textbooks~~].

(a) Allows the SBOE to *provide for* special instructional materials for blind and visually impaired students in public schools. Also requires the board to provide a teacher's edition in Braille or large type, as requested by the teacher, for each printed instructional material a teacher uses in the instruction of students. Specifies that the printed teacher edition must be available at the same time the printed

No equivalent provision.

No equivalent provision.

Sec. 31.027. Information To *School Districts*; Sample Copies. (a) Requires a publisher to provide each *school district and open-enrollment charter school* with information describing each of the publisher's *state-adopted* instructional materials.

(b) Requires a publisher to provide at least two sample copies of each *state-adopted* instructional material to be maintained *for at least two years* at each regional education service center *or an alternate location designated by the applicable service center*.

Sec. 31.028. Special Instructional Materials [~~Textbooks~~].

(a) Allows the State Board of Education to *make available*, rather than purchase, special instructional materials for blind and visually impaired students in public schools. Also requires the board to provide, *from funds appropriated for the purpose*, the teacher's edition in Braille or large type, as requested by the teacher, for each printed *state-adopted* instructional material a teacher uses

(e) Same as House version.

(f) Same as House version.

Sec. 31.027. Same as House version.

Sec. 31.028(a). Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

student materials become available.

in the instruction of students.

(b) Requires the publisher of an *approved* printed instructional material to provide the agency with computerized files for the production of Braille instructional materials or other versions of instructional materials to be used by students with disabilities, on request of the SBOE.

(b) Same as House version, except refers to a printed *state-adopted* instructional material.

(b) Same as House version.

(c) Requires the board to require electronic instructional materials submitted for approval under Section 31.0251 to comply with certain standards established under federal law if the materials are for use by students enrolled in public schools or in private nonprofit schools, if state funds, other than for administrative costs, are not involved. Removes references to the board's authority to enter into agreements providing for the acceptance, requisition, and distribution of special textbooks and instructional aids pursuant to federal law.

(c) Replaces a reference to textbooks and instructional aids with a reference to instructional materials.

(c) Same as House version.

(c-1) Requires the board to require electronic instructional materials included on the *conforming list and nonconforming list under Section 31.023* to comply with the federal standards, if the materials are for use by students enrolled in public schools or in private nonprofit schools, if state funds, other than for administrative costs, are not involved.

(d) Makes conforming changes.

(d) Makes conforming changes and changes the definition of "special instructional materials" to include audiotape, accessible web page, accessible DVD/CD-ROM.

(d) Same as House version.

Sec. 31.029. Bilingual Instructional Materials [~~Textbooks~~]. Requires the board to adopt instructional materials, rather than to purchase or otherwise acquire textbooks, for use in bilingual education classes.

Sec. 31.029. Same as House version.

Sec. 31.029. Same as House version.

Sec. 31.030. Used Instructional Materials [~~Textbooks~~].

Sec. 31.030. Used Instructional Materials [~~Textbooks~~].

Sec. 31.030. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

Replaces references to textbooks with references to instructional materials and makes conforming changes to replace a reference to school districts and open-enrollment charter schools with a reference to public schools.

SECTION 2E.22. Amends Section 31.031(b), Education Code, as added by S.B. No. 151, Acts of the 79th Legislature, Regular Session, 2005. To require a school district to pay the costs of each textbook required for a student enrolled in a course as part of a pilot project established by Section 54.2161 from the amount set aside by the State Board of Education under Section 31.021(c) or allocated to a school district under Section 32.005(d).

SECTION 2E.23. Adds Sections 31.032 and 31.033, Education Code, as follows:

Sec. 31.032. Subscription-Based Electronic Instructional Materials. Allows the publisher of *an approved* electronic instructional material to offer the material to school districts and open-enrollment charter schools on a subscription basis.

Sec. 31.033. Updating Instructional Materials. Allows the publisher of an approved instructional material to update the instructional material under the terms of a contract under Section 31.026. Requires the SBOE by rule to provide for an expedited review process to determine the extent to which updated instructional material aligns with the essential knowledge and skills and does not contain

SENATE VERSION

Replaces references to textbooks with references to instructional materials.

No equivalent provision.

SECTION 2D.17. (part) Adds Sections 31.031 and 31.032, Education Code, as follows:

Sec. 31.031. Subscription-Based Electronic Instructional Materials. Same as House version, except refers to *state-adopted* electronic instructional materials.

Sec. 31.032. Updates. Similar to House version, except does not require the update to be conducted under the terms of a contract and authorizes a school district or open-enrollment charter school to purchase the update.

CONFERENCE

SECTION 2E.22. Same as House version.

SECTION 2E.23. Same as House version.

Sec. 31.032. Same as House version.

Sec. 31.033. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

factual errors.

No equivalent provision.

SECTION 2D.18. Amends Section 31.101, Education Code, Selection and Purchase of Instructional Materials [~~Textbooks~~] by School Districts, to require each school district board of trustees and each open-enrollment charter school's governing body to provide an accounting of the expenditures of its instructional materials allotment as well as to notify the State Board of Education of the state-adopted instructional materials selected by the board or governing body for the coming year from the appropriate conforming or nonconforming list. Requires each school board or charter school governing body to use the allotment to purchase instructional materials it selects for a subject in the required curriculum, and, with some exceptions, allows the district or charter school to purchase instructional material only if the material is purchased not later than the beginning of the second school year that begins after the adoption of the conforming or nonconforming list that includes the material. Deletes references to the purchase of material not on either list.

Same as House version.

SECTION 2E.24. Adds Sections 31.1012 and 31.1013, Education Code, as follows:

Sec. 31.1012. Local Selection and Purchase. Requires a school district to select the instructional materials to be used by the district and, using funds allotted under Section 32.005 or other funds for the purpose, to purchase the materials directly from the publisher, or through the Department of Information Resources, if it is SBOE-

No equivalent provision.

SECTION 2E.24. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

approved material.

Sec. 31.1013. Certification of Provision of Instructional Materials. Requires each school district annually to certify to the agency that the district provides instructional materials aligned with the essential knowledge and skills.

SECTION 2E.25. Amends Section 31.102, Education Code, Title and Custody, to replace references to textbooks with references to instructional material.

No equivalent provision.

SECTION 2E.26. Amends Sections 31.104-31.106,

SECTION 2D.19. Similar to House version. Also amends Section 31.102 to provide that, beginning with the 2007-2008 school year, instructional material purchased through the instructional materials allotment by a district or charter school is the property of that district or school; prohibit a charter school from transferring instructional material without the commissioner's approval; and prohibit approval of such transfer unless it is to another Texas public school.

SECTION 2D.20. Amends Section 31.103, Education Code, Instructional Materials [~~Textbooks~~] Requisitions, to require a district superintendent or the chief operating officer of an open-enrollment charter school to report to the commissioner the district's or school's anticipated enrollment growth as well as its maximum attendance. Deletes a provision that required textbook requisitions to be based on the maximum attendance reported plus 10 percent and deletes a provision that required the commissioner to adjust the percent of increase based on available funding or on application of a high-growth district. Replaces references to textbooks with references to instructional materials.

SECTION 2D.21. Amends Sections 31.104-31.106,

SECTION 2E.25. Same as House version.

Same as House version.

SECTION 2E.26. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Education Code, as follows:

Sec. 31.104. Distribution and Handling. Allows the board of trustees of a school district to delegate to an employee authority to requisition, distribute, and manage the inventory of instructional materials. Allows a school district to order replacement materials directly from the publisher of the materials and deletes language authorizing orders from the textbook depository or from a manufacturer if the publisher or manufacturer does not have a designated depository. Requires each instructional material to state that the material is the property of or is licensed to the state. Authorizes the board to require a publisher to place an identifying bar code on certain textbooks. Removes all references granting the same authority to the governing board of a charter school.

Sec. 31.105. Sale, Exchange, or Loan of Instructional Materials [~~Textbooks~~]. Allows the board of trustees of a school district to sell instructional materials, other than electronic instructional materials, to a student or another school at a price determined by board rule. Provides that money from the sale may be used only to purchase items using the allotment provided under Section 32.005. Allows the board, subject to any applicable licensing agreement, to exchange instructional materials with another district or loan materials to another district. Removes a reference granting the same authority to the governing board of a charter school.

Education Code, as follows:

Sec. 31.104. Similar to House version. Does not delete reference to the governing board of a charter school, and it allows the board of trustees or the governing board to delegate the authority to requisition, *purchase*, distribute, and manage the inventory of instructional. Allows a school district *or open-enrollment charter school* to order replacements directly from the *instructional materials depository*, or the publisher if the publisher does not have a designated depository. Requires each instructional material to state that the material is the property of or is licensed to the state, *school district, or charter school, as appropriate*.

Sec. 31.105. Sale of Instructional Materials [~~Textbooks~~]. Similar to House version. Does not remove references to charter schools. Deletes language relating to the state contract price. Does not restrict use of money from the sale of materials to the purchase of items using the allotment under Section 32.005, but, rather, requires the district to use money received from the sale of materials in accordance with uses prescribed by Section 31.0211.

Sec. 31.104. Same as House version.

Sec. 31.105. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

Sec. 31.106. Use of Local Funds. Allows a school district to use local funds to purchase instructional materials. Removes reference granting same authority to the governing board of a charter school.

SECTION 2E.27. Amends the heading to Section 31.151, Education Code, as follows: Duties of Publishers [~~and Manufacturers~~].

SECTION 2E.28. Amends Sections 31.151(a), (b), and (d), Education Code. Among other provisions:

(a)(2) Requires a publisher of instructional materials to automatically reduce the price of an instructional material sold for use in a *public school* to the extent that the price is reduced elsewhere in the United States.

(a)(6) Removes language requiring a publisher to maintain a depository to receive and fill orders for textbooks. Replaces references to textbooks with references to instructional materials. Removes references to charter schools.

(a)(7) Requires a publisher to provide public schools an accurate shipping date for materials that are back-ordered at the time an order is acknowledged. Removes references to charter schools.

SENATE VERSION

Sec. 31.106. Similar to House version. Allows a school district or charter school, in addition to any textbook selected under this chapter, to use local funds to purchase instructional materials.

SECTION 2D.22. Same as House version.

SECTION 2D.23. Same as House version, except as follows:

(a)(2) Requires a publisher of instructional materials to automatically reduce the price of an instructional material sold for use in a *school district or open-enrollment charter school* to the extent that the price is reduced elsewhere in the United States.

(a)(6) Requires a publisher to maintain a depository to receive and fill orders for instructional materials. Requires a publisher to deliver the materials to a school district or charter school without a delivery charge if the publisher does not maintain a depository and the publisher's materials are warehoused less than 300 miles from a border of this state or if the materials are in electronic format.

(a)(7) Same as House version, except does not remove references to charter schools.

CONFERENCE

Sec. 31.106. Same as House version.

SECTION 2E.27. Same as House version.

SECTION 2E.28. Same as House version, except as follows:

(a)(2) Same as House version.

(a)(6) Same as House version.

(a)(7) Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(d) Requires a penalty collected under this section to be deposited to the credit of the *foundation school fund*.

(d) Requires a penalty collected under this section to be deposited to the credit of the *state instructional materials fund*.

(d) Same as Senate version.

SECTION 2E.29. Amends the heading to Section 31.152, Education Code, as follows: Accepting Rebate on Instructional Materials [~~Textbooks~~].

SECTION 2D.24. Same as House version.

SECTION 2E.29. Same as House version.

SECTION 2E.30. Amends Sections 31.152(a), (b), (d), Education Code. Among other provisions:

SECTION 2D.25. Same as House version, except as follows:

SECTION 2E.30. Same as House version.

(b) Replaces a reference to the state textbook fund with a reference to state instructional materials funds.

(b) Replaces a reference to the state textbook fund with a reference to the state instructional materials fund.

(b) Same as House version.

(d)(2) Provides that, in this section, "gift, favor, or service" does not include *ancillary* materials, such as maps or worksheets, that convey information to the student or otherwise contribute to the learning process.

(d) ) Provides that, in this section, "gift, favor, or service" does not include *instructional* materials such as maps or worksheets and removes language relating to information conveyed to students.

(d)(2) Same as House version.

SECTION 2E.31. Amends the heading to Section 31.153, Education Code, as follows: Violation of Free Instructional Materials [~~Textbook~~] Law.

SECTION 2D.26. Same as House version.

SECTION 2E.31. Same as House version.

SECTION 2E.32. Amends Section 31.153(a), Education Code, relating to violations of free instructional materials law, to replace a reference to textbooks with a reference to instructional materials.

SECTION 2D.27. Same as House version.

SECTION 2E.32. Same as House version.

SECTION 2E.33. Amends Subchapter E, Chapter 31, Education Code, Disposition of Instructional Materials

SECTION 2D.28. Same as House version, except does not replace references to a school district or charter school.

SECTION 2E.33. Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

[Textbooks], to replace references to textbooks with references to instructional materials in both the heading and the text. Also replaces a reference to a school district or open-enrollment charter school with a reference to a public school.

SECTION 2E.34. Adds Section 32.0011, Education Code, Advisory Committee for Technology and Implementation. Requires the commissioner, in consultation with legislative leadership, to appoint an advisory committee to assist the agency and permit the agency to monitor changing technology in business, industry, and education.

SECTION 2E.35. Amends Sections 32.002 and 32.003, Education Code, relating to a school district's acquisition and use of certain technology and the commissioner's authority to contract for the supply of technology, to replace references to school districts with references to public schools.

SECTION 2E.36. Amends the heading to Section 32.005, Education Code, as follows: Instructional Materials and Technology Allotment.

SECTION 2E.37. Effective September 1, 2005, amends Sections 32.005(a) and (b), Education Code, and adds Subsection (d), as follows:

(a) Entitles *each* school district to an allotment of \$50 for each student in average daily attendance or a *different*

No equivalent provision.

No equivalent provision.

SECTION 2D.29. Same as House version.

SECTION 2D.30. Does not provide for effect on September 1, 2005. Same as House version, except as follows:

(a) Entitles a school district *or open-enrollment charter school* to an allotment of \$30 or a *greater* amount for any

SECTION 2E.34. Same as House version.

SECTION 2E.35. Same as House version.

See section below.

See section below.

See section below.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

amount for any year provided by appropriation.

year provided by appropriation for each student in average daily attendance *in a school year, to be used as provided by Subsection (b).*

(b) Allows an allotment under this section to be used only to: (1) provide for the purchase by school districts of instructional materials or technological equipment that contributes to student learning; and (2) pay for training educational personnel directly involved in student learning in the appropriate use of electronic instructional materials and for providing for access to technological equipment for instructional use. Replaces references to textbooks with references to instructional materials.

(b) Allows an allotment under this section to be used to: (1) provide for the purchase by school districts of systems or components of wireless electronic mobile computing devices or other technology devices that convey instruction; productivity hardware or software, including writing, computation, presentation, and communications tools; electronic learning software aligned with the essential skills and knowledge; library and other research tools; electronic assessment tools; electronic learning tools to improve communications among students, teachers, school administrators, parents, and the community; classroom and school management systems; and portable electronic instructional material devices capable of supporting instructional material for each subject in the foundation and enrichment curriculum; (2) provide professional development for educational personnel responsible for direct instruction to integrate the tools and solutions described by Subdivision (1); and (3) acquire additional infrastructure and technologies necessary to support and enhance the tools and solutions described by Subdivision (1). Removes language references use of the allotment for electronic textbooks or technological equipment and for pay for training educational personnel in the appropriate use of electronic textbooks and for providing for access to equipment for instructional use.

See section below.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(d) Provides that the application of this subsection is contingent on the implementation of the pilot project established under Section 54.2161. Entitles a school district, in addition to the amounts under Subsection (a), to an amount sufficient for the district to pay the costs of textbooks for students participating in the pilot project. Provides that this subsection expires August 15, 2009.

No equivalent provision.

See section below.

SECTION 2E.38. Effective September 1, 2006, amends Section 32.005(a) and adds (a-1), Education Code as follows:

No equivalent provision.

SECTION 2E.36. Effective September 1, 2006, amends Section 32.005, Education Code, Instructional Materials and Technology Allotment, as follows:

(a) Increases the school district technology allotment from \$30 to \$125 for each student in average daily attendance or a different amount for any year provided by appropriation. (a-1) From those funds, requires a district to use an amount equal to \$50 for each student to fund targeted technology programs under Section 32.006. Requires the commissioner to adopt rules concerning the use of funds and provides that this subsection expires August 31, 2007.

(a) Increases the school district technology allotment from \$30 to \$100 for each student in average daily attendance or a different amount for any year provided by appropriation.

(a-1) Same as House version.

(b) Same as Subsection (b) in SECTION 2E.37 in House version.

(c) Provides that the allotments under this section may be paid from the telecommunications infrastructure fund, the available school fund, the state instructional materials fund, or any other fund that may be used for that purpose and that is identified in the General Appropriations Act as the source of payment of the allotment.

(d) Same as Subsection (b) in SECTION 2E.37 in House version.

SECTION 2E.39. Effective September 1, 2007, amends Section 32.005(a) and adds (a-1), Education Code. Increases the technology to \$150 for each student in average daily attendance or a different amount for any year

No equivalent provision.

SECTION 2E.37. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

provided by appropriation. From those funds, requires a district to use an amount equal to \$60 for each student to fund targeted technology programs under Section 32.006. Requires the commissioner to adopt rules concerning the use of funds.

SECTION 2E.40. Adds Sections 32.006 and 32.007, Education Code, as follows:

Sec. 32.006. Targeted Technology Programs. Requires funds under Section 32.005(a-1) to be used for a targeted technology program that provides for each student and teacher at a targeted campus: certain technological devices, tools, and systems; professional development for teachers; or other infrastructure, components, and technologies. Requires the LBB to conduct a biennial study of the cost of school district targeted technology programs and to make recommendations based on the study to the legislature before each regular session. Requires the LBB and the commissioner to jointly conduct a performance evaluation of the programs.

Sec. 32.007. Agreement with Public Broadcasting Station. Requires the commissioner to enter into an agreement with a public broadcasting station or consortium of stations to provide online instructional content and educational materials for purposes of instruction and professional development for use in providing adult-based education.

SECTION 2E.41. Amends the heading to Section 32.154,

No equivalent provision.

No equivalent provision. (see SECTION 2D.30 above.)

No equivalent provision.

No equivalent provision.

SECTION 2E.38. Adds Section 32.006, Education Code. Same as House version, except as follows:

Sec. 32.006. Same as House version, except in the listing of the technological devices, tools, and systems to be provided, includes *other technology devices that convey instruction*.

SECTION 2E.38. Adds Section 32.006, Education Code. Same as House version.

SECTION 2E.39. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Education Code, as added by Chapter 834, Acts of the 78th Legislature, Regular Session, 2003, as follows: ~~[District or]~~ School Selection.

SECTION 2E.391. Add Section 32.008, Education Code, Technology Grants, to read as follows: (a) From amounts appropriated for the purpose, the commissioner shall make grants as provided by this section to school districts on behalf of eligible campuses and to eligible open-enrollment charter schools. A grant under this section must be in the amount of \$300 for each student enrolled at an eligible campus or eligible open-enrollment charter school.

(b) To be eligible for a grant under this section, a public school must:

(1) be identified by the agency as meeting the goals of the long-range plan for technology under Section 32.001; and  
(2) certify to the commissioner that the school will commit to using, for a purpose specified by Subsection (c), other funds available to the school in an amount equal to \$50 for each student enrolled at the school.

(c) A grant under this section may be used only to: (1) provide for the purchase by public schools of: (A) wireless electronic mobile computing devices or other electronic devices that convey instruction; (B) productivity software and hardware, including writing, computation, presentation, printing, and communication tools; (C) electronic learning software aligned with the essential knowledge and skills adopted by the State Board of Education under Section 28.002; (D) library and other research tools; (E) electronic assessment tools; (F) electronic learning tools to improve communications among students, teachers, school

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

administrators, parents, and the community; and (G) classroom and school management systems;  
(2) provide professional development for teachers to integrate the tools and solutions described by Subdivision (1); and  
(3) acquire other infrastructure, components, and technologies necessary to support and enhance student performance.  
(d) To receive a grant under this section, a school district or open-enrollment charter school must apply in the time and manner specified by commissioner rule. A grant under this section is for a period of two school years and may be renewed as provided by commissioner rule. The commissioner shall ensure that public schools that are awarded grants under this section reflect the demographic and geographic diversity of this state.

No equivalent provision.

No equivalent provision.

SECTION 2E.40. Amends the heading to Section 32.154, Education Code, as added by Chapter 834, Acts of the 78th Legislature, Regular Session, 2003, to read as follows:  
Sec. 32.154. [~~DISTRICT OR~~] SCHOOL SELECTION.

SECTION 2E.42. Amends Section 32.154(b) and adds (a-1), Education Code, as added by Chapter 834, Acts of the 78th Legislature, Regular Session, 2003. Requires the agency to expand the technology immersion pilot project by selecting for participation in the pilot project for the 2005-2006 and subsequent school years.

No equivalent provision.

SECTION 2E.41. Same as House version.

SECTION 2E.43. Amends Section 32.156, Education

SECTION 2D.31. Same as House version.

SECTION 2E.42. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Code, On-line Instructional Materials [~~Textbooks~~], to replace references to textbooks with references to instructional materials in both the heading and the text.

SECTION 2E.44. Amends Section 32.161(b), Education Code, to replace references to textbooks with references to instructional materials and to make a conforming change.

No equivalent provision.

No equivalent provision.

SECTION 2E.45. Adds Section 39.0232, Education Code, Computer-Adaptive Assessment. Requires the agency, to the extent practicable and appropriate, to provide for assessment instruments required under Section 39.023 to be computer-adaptive and to require school districts to administer computer-adaptive instruments to students. Requires the agency to implement this section not later than May 1, 2007, and provides that this subsection expires September 1, 2007.

Note: See SECTION 2D.22, above, which also adds this

SECTION 2D.32. Same as House version, except adds a statute citation.

SECTION 2D.33. Saving provision for Section 31.0221, Education Code, as amended by this Act.

SECTION 2D.34. Provides that a contract for the purchase or licensing of an instructional material (as that term is defined by Section 31.002, Education Code, as amended by this part, including an electronic instructional material, adopted by the State Board of Education before January 1, 2005) continues in effect as a state contract for the contract term, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 2E.43. Same as House version.

Same as House version.

Same as House version.

SECTION 2E.44. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
section, but in a different manner.		
SECTION 2E.46. Adds Section 44.046, Education Code, Purchase of Instructional Materials. Notwithstanding Section 44.031, allows a public school to purchase instructional materials under a blanket order executed by the Department of Information Resources.	No equivalent provision.	SECTION 2E.45. Same as House version.
SECTION 2E.47. Repeals the following provisions:	No single equivalent provision.	SECTION 2E.46. Same as House version, except as follows:
31.002(3)	See SECTION 2D.15.	31.002(3) Same as House version.
31.021, 31.022, 31.023, 31.024	See SECTION 2D.17.	31.022, 31.023, 31.024 only. Does not repeal 32.021.
31.025	SECTION 8.02(1)(C). Repealed effective September 1, 2006.	31.025. Same as House version.
31.101	See SECTION 2D.18 and SECTION 4.35.	31.101. Same as House version.
31.103	See SECTION 2D.20 and SECTION 4.37.	31.103. Same as House version.
31.1031	SECTION 8.02(1)(C). Repealed effective September 1, 2006.	31.1031. Same as House version.
32.154(a) and (c)	No equivalent provision.	32.154(a) and (c). Same as House version.
PART F. BILINGUAL EDUCATION AND SPECIAL LANGUAGE INSTRUCTION	PART E. DUAL LANGUAGE EDUCATION	PART F. BILINGUAL EDUCATION AND SPECIAL LANGUAGE PROGRAMS



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2F.01. Adds Sections 21.0485 and 21.0486, Education Code, as follows:  
Sec. 21.0485. Dual Language Education Teacher Certification. Among other provisions, requires the board to *adopt* rules establishing specific training and other requirements for certification.  
Sec. 21.0486. Master Language Teacher Certification.

SECTION 2F.02. Amends Section 21.050(b), Education Code, relating to the academic degree requirement for teaching certificate.

SECTION 2F.03. Adds Section 21.054(c), Education Code, relating to continuing education requirements, to impose certain requirements on that *adopted* rules regarding identification of courses and programs that meet educators' continuing education requirements.

SECTION 2F.04. Adds Section 21.060, Education Code, Notice of Educational Aide Tuition Exemption.

SECTION 2F.05. Adds Section 28.0051(d), Education Code, relating to dual language immersion programs, to require the *board* to provide for the issuance of teaching certificates appropriate for dual language instruction to teachers who possess a speaking, reading, and writing language ability in a language other than English in which a dual language immersion program is offered and who meet the general requirements of Subchapter B, Chapter 21.

SENATE VERSION

SECTION 2E.01. Same as House version, except in Section 21.0485 requires the board to *propose* rules establishing specific training and other requirements.

SECTION 2E.02. Same as House version.

SECTION 2E.03. Same as House version, except refers to *proposed* rules.

SECTION 2E.04. Same as House version

SECTION 2E.05. Same as House version, except requires that the certificates be issued by the *State Board for Educator Certification*.

CONFERENCE

SECTION 2F.01. Same as House version, except assigns certain rulemaking and other duties to the commissioner rather than to the board, and amends the section *effective August 1, 2006*.

SECTION 2F.02. Same as House version.

SECTION 2F.03. Same as House version.

SECTION 2F.04. Same as House version except changes references from the board to the commissioner.

SECTION 2F.05. Same as House version, except requires the commissioner to provide for the issuance of certificates rather than the board.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2F.06. Adds Section 28.0052, Education Code, Dual Language Education Pilot Project. Among other provisions, in Subsection (d) requires the commissioner to award grants, from amounts appropriated to the agency, to school districts that participate in the program. In Subsection (f-1) allows the commissioner, during the 2005-2006 school year, to award grants under this section only for the purpose of planning activities described by Subsection (c) in an amount not to exceed two percent of the total amount required to fully implement the pilot program for the 2006-2007 school year. Provides that this subsection expires September 1, 2007. In Subsection (g), provides that grants under this section may not exceed \$13 million for each biennium.

SECTION 2F.07. Amends Sections 29.056(a), (d), and (g) and adds (g-1) and (i), Education Code, relating to enrollment and exit of students in bilingual education and special language programs. Among other provisions, adds requirements in Subsection (a) that a school district inform a student's parent when the district intends to transfer the student from a bilingual education or special language instruction program, allows the district to transfer the student without the parent's approval if the parent fails to respond to the notice on or before the 30th day after the date the notice is provided, and requires the district to inform the parent of the student's transfer from the program. In Subsection (g) allows a district to transfer a student of limited English proficiency out of bilingual education or special language program *for the first time or a subsequent time* if the student is able to participate

SENATE VERSION

SECTION 2E.06. Same as House version, except makes a minor wording change in (d) and omits the provisions in (f-1) and (g).

SECTION 2C.05. Same as House version, except in (a) omits the provision authorizing the district to transfer the student without the parent's approval if the parent fails to respond to the notice within the prescribed time, and requires the district to inform the parent of the student's *exit* from the program. In (g) omits *for the first or a subsequent time*; omits the provisions authorizing the use of satisfactory performance on the specified reading assessment instruments as a criterion; and does not limit the use of an achievement score at or above the 40th percentile as a criterion applicable only to students enrolled in the first or second grade.

CONFERENCE

SECTION 2F.06. Same as House version, except in Subsection (d) requires the commissioner to award grants, from amounts appropriated to the agency, *including foundation school program funds*, to school districts that participate in the program. In Subsection (f-1) allows the commissioner to award grants during the 2006-2007 school year, refers to the amount required to fully implement the pilot program for the 2007-2008 school year and provides that this section expires September 1, 2008. Also omits the provision in Subsection (g)

SECTION 2F.07. Same as House version, except in Subsection (g)(2) amends the citations to Sections 39.023(a)(2) and 39.023(a)(4) instead of 39.023(a) and (c) and refers to the English language arts assessment instrument rather than the English I or II assessment instrument.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

equally in a regular all-English instructional program as determined by certain agency-approved tests or subjective teacher evaluation, or by *satisfactory performance on the reading assessment instrument under Section 39.023(c) or the English I or II assessment instrument under Section 39.023(c), as applicable, with the assessment instrument administered in English, or, if the student is enrolled in the first or second grade, an achievement score at or above the 40th percentile in the reading and language arts sections of an English standardized test approved by the agency.*

SECTION 2F.08. Adds Section 29.0561. Evaluation Of Transferred Students; Reenrollment.

SECTION 2F.09. Adds Section 29.065, Education Code, Measure of Progress Toward English Language Proficiency, to require the commissioner to develop a longitudinal measure of progress toward English language proficiency under which an LEP student is evaluated from the time the student enters public school until, for two consecutive school years, the student scores at a specific level determined by the commissioner on the statewide reading test or the English I or II end-of-course test, as applicable. Requires the commissioner to: (1) include student advancement from one proficiency level to a higher level under the reading proficiency in English assessment system developed under Section 39.027(e) and from the highest level under that assessment system to the level determined by the commissioner under this section on the statewide reading test or the English I or II end-of-course

SECTION 2C.06. Same as House version.

No equivalent provision.

SECTION 2F.08. Same as House version.

SECTION 2F.09. Same as House version except amends this section effective September 1, 2006, and also amends the citations to Sections 39.023(a)(2) and 39.023(a)(4) instead of 39.023(a) (c) and refers to the English language arts assessment instrument rather than the English I or II assessment instrument..

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

test, as applicable; and (2) to the extent practicable in developing the measure of progress, use applicable research and analysis done in developing an annual measurable achievement objective as required by NCLB Section 3122.

SECTION 2F.10. Requires the *Educators' Professional Practices Board*, not later than January 1, 2006, to adopt rules relating to certification of master language teachers and dual language instruction teachers as required by Sections 21.0486, 28.0051(d), and 21.050(b) and relating to permitting teachers to fulfill continuing education requirements by acquiring conversational skills in a language other than English as required by Section 21.054(c), as those sections were added or amended by this Act.

No equivalent provision.

PART G. HIGH ACADEMIC ACHIEVEMENT PROGRAMS

79S11153 JLZ

SECTION 2E.07. Same as House version, except requires the *State Board for Educators' Certification* to propose such rules.

No equivalent provision.

No equivalent provision.

212

SECTION 2F.10. Same as House version, except requires the commissioner, rather than the Educators' Professional Practices Board, to adopt those rules.

SECTION 2F.11. Requires the commissioner, not later than January 1, 2007, to adopt rules: (1) establishing requirements and prescribing an examination for master language teacher certification as required by Section 21.0486, Education Code, as added by this Act; and (2) establishing requirements and prescribing an examination for dual language instruction teacher certification as required by Section 21.050(b), Education Code, as amended by this Act, and Section 28.0051(d), Education Code, as added by this Act.

Same as House version.

Associated Draft:

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 2G.01. Adds Section 29.124, Education Code, Texas Governor's Schools, to establish a Texas governor's school as a summer residential program for high-achieving high school students. Allows a Texas governor's school program to include any or all of the following curricula: mathematics and science; humanities; or leadership and public policy. Allows a public senior college or university to apply to the commissioner to administer a Texas governor's school program and requires the commissioner to give preference to a college or university that applies in cooperation with a nonprofit association and to give additional preference if the nonprofit association receives private foundation funds to finance the program. Allows the commissioner to approve an application only if the applicant meets the criteria specified in this section. Allows the commissioner to make a grant, from funds appropriated for the purpose, to pay the costs of administering a Texas governor's school program to a college or university whose application is approved. Gives the commissioner rulemaking authority.

SECTION 2G.02. Adds Section 39.051(b-1), Education Code, relating to academic excellence indicators, to require the commissioner to adopt the following indicators relating to high academic achievement to be considered in assigning a district an exemplary performance: (1) the percentage of students enrolled in educational programs for gifted and talented students; (2) advanced placement and international baccalaureate examination results, including the percentage of students achieving specified scores or better on each exam; (3) student results on the SAT and

SENATE VERSION

No equivalent provision.

No equivalent provision.

CONFERENCE

SECTION 2G.01. Same as House version.

SECTION 2G.02. Same as House version, except allows, rather than requires, the commissioner to adopt these indicators when assigning an exemplary rating.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

ACT; (4) the percentage of students scoring in the top five percent on nationally recognized norm-referenced tests; (5) the percentage of high school students enrolled in advanced courses; (6) the percentage of students achieving commended performance on a statewide test, end-of-course test, or other test; (7) the percentage of students completing the recommended or advanced high school program; and (8) the percentage of district graduates who enter college the academic year following graduation.

SECTION 2G.03. Amends Section 39.053(a), Education Code, relating to performance reports, to require an annual report to include information relating to high academic achievement in the district, as determined by the district's performance on the indicators under Section 39.051(b-1).

SECTION 2G.04. (a) Requires TEA, not later than the 2006-2007 school year, to collect information concerning high academic achievement for purposes of Section 39.051(b-1), Education Code, as added.

(b) Requires TEA, not later than the 2007-2008 school year, to include information concerning high academic achievement for purposes of Section 39.051(b-1), Education Code, as added, in evaluating the performance of districts, campuses, and open-enrollment charter schools.

(c) Requires TEA, not later than the 2007-2008 school

SECTION 2C.20. Amends Section 39.053(a) to require an annual report to include the *academic* performance rating for the district *and each campus in the district* rather than information on high academic achievement, and adds a requirement that the report include evidence that the district currently holds International Organization for Standardization ISO 9000 certification for quality management standards or a statement that the district does not hold that certification.

No equivalent provision.

SECTION 2G.03. Same as House version, except adopts Senate language to require the report to include the academic performance rating for the district and each campus in the district under Section 39.072.

SECTION 2G.04. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

year, to include the information required by Section 39.182(a)(21), Education Code, as amended, in its comprehensive annual report.

PART H. PREKINDERGARTEN PROGRAMS

SECTION 2H.01. Amends Section 29.1532(b) and adds (d) - (g), Education Code, relating to prekindergarten program requirements, as follows: (b) Requires a school district's prekindergarten program, including a program operated by a private entity contracting with the district, to comply, at a minimum, with applicable child-care licensing standards adopted by the Department of Family and Protective Services. Also requires the State Board of Education to adopt rules to ensure the district's compliance. (d) Requires a district, before implementing a prekindergarten program, to investigate site-sharing with existing state-licensed child-care programs and federal Head Start programs and to coordinate use of any sites to the greatest extent possible. (e) Requires a district to implement to the greatest extent possible coordinated use of licensed child-care and Head Start sites with existing prekindergarten programs. (f) Grants the commissioner rulemaking authority. (g) Requires all entities choosing to share or coordinate use of a particular program site to enter into a memorandum of understanding.

PART I. SCHOOL DISCIPLINE

No equivalent provision.

No equivalent provision.

PART G. Same as House version.

Same as House version.

SECTION 2H.01. Similar to House version. Does not amend (b) and omits (g).  
(d) - (f) Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2I.01. Adds Section 26.0083, Education Code, Right to Prompt Notice of Disciplinary Action. Provisions refer to a school district or *public charter district*.

SECTION 2G.01. Same as House version, except refers to be a school district or *open-enrollment school*.

SECTION 2I.01. Same as House version.

SECTION 2I.02. Amends Section 37.001(a), Education Code, as amended by H.B. 603, Acts of the 79th Legislature, Regular Session, 2005, relating to a student code of conduct, to require a school district's student code of conduct to provide guidelines under which (A) a student who unknowingly brings certain prohibited items may avoid disciplinary action by turning over the item to a school official; and (B) the school official provides written notice of the incident to the student's parent.

No equivalent provision.

Same as Senate version.

SECTION 2I.03. Amends Section 37.007(a), Education Code, relating to expulsion for serious offenses, to require that the expulsion of a student from a school who, on school property or while attending a school-sponsored or school-related activity on or off of school property, possesses certain prohibited weapons be based on the student's *knowingly* possessing such item.

No equivalent provision.

Same as Senate version.

SECTION 2I.04. Amends Section 37.007(b), Education Code, as amended by H.B. 2018, Acts of the 79th Legislature, Regular Session, 2005, relating to expulsion for serious offenses, to require that the expulsion of a student who, while on or within 300 feet of school property, possesses certain controlled substances be based on the student's *knowingly* possessing such substance.

No equivalent provision.

Same as Senate version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 21.05. Adds Sections 37.004(e) and (f), Education Code, relating to placement of students with disabilities, as follows:

(e) Requires, in a county with a juvenile justice alternative education program (JJAEP), that the expulsion under a provision of Section 37.007 described by this subsection of a student with a disability who receives special education services occur in accordance with this subsection and Subsection (f). Requires the district from which the student was expelled to provide, in accordance with applicable federal law, the administrator of the JJAEP or the administrator's designee with reasonable notice of the meeting of the student's admission, review, and dismissal committee to discuss the student's expulsion and allows a JJAEP representative to participate in the meeting to the extent that it relates to the student's placement in the program. Provides that this subsection applies only to an expulsion for the specific reasons listed.

(f) If, after placement of a student in a JJAEP under Subsection (e), the program administrator or the administrator's designee has concerns that the student's educational or behavioral needs cannot be met in the program, the administrator or designee shall immediately provide written notice of those concerns to the district from which the student was expelled. Requires the student's admission, review, and dismissal committee to meet to reconsider the student's placement; requires the district to provide, in accordance with applicable federal law, the administrator or designee with reasonable notice of the meeting; and allows a representative of the program to participate in the meeting to the extent that the meeting

SENATE VERSION

SECTION 8.01, repeals 37.004(g), which provided that Subsections (e), (f), and (g) itself would expire September 1, 2005.

CONFERENCE

SECTION 21.02. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
relates to the student's continued placement in the program.		
SECTION 2I.06. Amends Sections 37.008(m) and (m-1) and adds Subsection (n), Education Code, relating to disciplinary alternative education programs.	SECTION 2G.02. Same as House version.	SECTION 2I.03. Same as House version.
SECTION 2I.07. Amends Sections 37.020(b) and (c), Education Code, Reports Relating to Expulsions and Disciplinary Alternative Education Program Placements.	SECTION 2G.03. Same as House version.	SECTION 2I.04. Same as House version.
SECTION 2I.08. Adds Section 37.023, Education Code, Limitation on Referral to Law Enforcement Official for Violation of Student Code of Conduct, to prohibit a school administrator from referring a student to a law enforcement official on the basis of conduct by the student that violates the student code of conduct but that the administrator knows or has reason to know is not a criminal offense.	No equivalent provision.	Same as Senate version.
SECTION 2I.09. Provides that a school district's prekindergarten program established before September 1, 2005, is not required to comply with the applicable child-care standards adopted by the Department of Family and Protective Services, as required by Section 29.1532(b), Education Code, as amended by this Act, until September 1, 2008.	No equivalent provision.	Same as Senate version.
SECTION 2I.10. Repeals Section 37.004(g), Education Code.	SECTION 8.01(a)(4). Substantially the same as House version.	No equivalent provision.
PART J. CRIMINAL HISTORY RECORDS	PART H. Same as House version.	Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

INFORMATION

SECTION 2J.01. Adds Section 21.0401, Education Code, Collection of Fingerprints Required.

SECTION 2J.02. Amends Section 21.041(c), Education Code, to require the board to propose a rule adopting a fee for (1) the issuance of maintenance of each educator certificate that is adequate to cover certain administrative costs, including *costs related to the operation of the board* and any amount necessary to cover the cost of obtaining fingerprints or conducting a national criminal background review and investigation; and (2) the cost of obtaining fingerprints from or conducting a national criminal background review of a holder of a teaching permit issued under this subchapter.

SECTION 2J.03. Amends the heading and provisions of Section 22.082, Education Code, Access to Criminal History Records by *State Education Authorities*, as follows: (a) Requires the *agency* to obtain criminal history information from any law enforcement or criminal justice agency both state and national record information. Expands those for whom such records are to be obtained to include, among others: (1) an applicant for or holder of a permit issued under Subchapter B, Chapter 21; or (2) a person described by Section 11A.153 or 21.0032. (b) Authorizes the Educators' Professional Practices Board to obtain from any law enforcement or criminal justice agency all criminal history record information that related

SECTION 2H.01. Same as House version.

SECTION 2H.02. Substantially the same as House version, except deletes the provision that includes costs related to the operation of the board.

SECTION 2H.03. Same as House version, except keeps the section heading Access to Criminal History Records by *State Board for Educator Certification*; refers to SBEC in (a) omits the provision in (b); and adds the provision in (c) as (b) but makes it applicable to the *board*.

SECTION 2J.01. Same as House version, except changes references from the board to the commissioner.

SECTION 2J.02. Same as House version.

SECTION 2J.03. Same as House version, except substitutes the *Department of Public Safety* for "any law enforcement or criminal justice agency."

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

to a holder of a certificate issued under Subchapter B, Chapter 21.

(c) Requires the *agency* to require each applicant, holder, and person described by Subsection (a)(2) to pay any costs to the *agency* related to obtaining criminal history record information related to the person under this section.

SECTION 2J.04. Amends Section 22.083(d), Education Code, to require the superintendent of a district or the director of a *public charter district*, private school, regional education service center, or shared services arrangement to promptly notify the Educators' Professional Practices Board, rather than State Board for Educator Certification, in writing if the person obtains or has knowledge of information showing that an applicant for or holder of a certificate issued under Subchapter B, Chapter 21, has a reported criminal history.

SECTION 4.13. (part) Amends Subsections (d) to make the conforming change reflecting the creation of public charter districts under added Chapter 11A but retains SBEC notification.

SECTION 2J.04. Same as House version.

SECTION 2J.05. Amends Sections 22.085 and 22.086, Education Code, as follows:

Sec. 22.085. Discharge of Employees Convicted of Offenses. Allows a school district, *public charter district*, private school, regional education service center, or shared services arrangement to discharge an employee if the district or school obtains information of the employee's conviction of a felony or of a misdemeanor involving moral turpitude that the employee did not disclose to the *agency or the Educators' Professional Practices Board*, rather than the SBEC, or the district, school, service center, or shared services arrangement. An employee discharged under this

SECTION 4.15. Amends Section 22.085 to make conforming changes reflecting the creation of public charter districts under added Chapter 11A but retains SBEC notification.

SECTION 2J.05. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

section is considered to have been discharged for misconduct for purposes of Section 207.044, Labor Code.

Sec. 22.086. Liability for Reporting Offenses. Provides that the *agency, the Educators' Professional Practices Board*, a school district, a public charter district, a private school, a regional education service center, a shared services arrangement, or an employee of the *agency, board*, district, school, service center, or shared services arrangement is not civilly or criminally liable for making a report required under this subchapter.

SECTION 2J.06. Amends Section 411.090, Government Code, Access To Criminal History Record Information and Fingerprints: *State Educational Authorities*, as follows:

(a) The *Texas Education Agency* is entitled to obtain from the department any criminal history record information maintained by the department about: (1) a person who has applied or expressed to the *commissioner* an intention to apply for a certificate or permit *or holds a certificate or permit* under Subchapter B, Chapter 21, Education Code; or (2) a person described by Section 11A.153 or 21.0032, Education Code.

(b) Criminal history record information obtained by the *agency* under Subsection (a):

(1) may be used for any purpose related to the issuance or denial of a certificate issued under Subchapter B, Chapter 21, Education Code, or for any purpose authorized by Section 11A.153 or 21.0032, Education Code;

(2) *may be provided to the Educators' Professional*

SECTION 4.16. Amends Section 22.086 to make conforming changes relating to public charter districts but retains reference to SBEC rather than to the agency and the Educators' Professional Practices Board.

SECTION 2H.04. Amends Section 411.090, Access to Criminal History Record Information and Fingerprints: *State Board for Educator Certification*, as follows:

(a) The *State Board for Educator Certification* is entitled to obtain from the department any criminal history record information maintained by the department about: (1) a person who has applied or expressed to the *board* an intention to apply for a certificate or permit under Subchapter B, Chapter 21, Education Code; or (2) a person described by Section 11A.153 or 21.0032, Education Code.

(b) Criminal history record information obtained by the *board* under Subsection (a):

(1) may be used for any purpose related to the issuance, denial, *suspension, or cancellation* of a certificate *or permit* under Subchapter B, Chapter 21, Education Code, or for any purpose authorized by Section 11A.153 or 21.0032, Education Code; and

(2) may not be released to any person except on court

Same as Senate version.

SECTION 2J.06. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

*Practices Board to be used for any purpose related to the suspension or revocation of a certificate issued under Subchapter B, Chapter 21, Education Code;*

(3) may not be released to any *other* person except on court order or with the consent of the subject of the criminal history record; and

*(4) shall be destroyed by the agency after the information is used for the authorized purposes.*

(c) The *Texas Education Agency* may keep on file with the department all fingerprints obtained by the agency under Section 21.0401, Education Code. The department shall notify the agency of the arrest of any person who has fingerprints on file with the department pursuant to that section.

(d) Requires the *Texas Education Agency* to notify the public charter district affected, on receipt of notice from the department of an arrest of a person described by Section 11A.153 or 21.0032, Education Code.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

79S11153 JLZ

order or with the consent of the subject of the criminal history record information].

(c) The *board* may keep on file with the department all fingerprints obtained by the board under Section 21.0401, Education Code. The department shall notify the *board* of the arrest of any person who has fingerprints on file with the department pursuant to that section.

(d) Requires the *State Board for Educator Certification* to notify the affected district.

PART I. HEALTH COVERAGE OR COMPENSATION  
SUPPLEMENTATION

SECTION 21.01. Reenacts and amends Chapter 1580, Insurance Code, Active Employee Health Coverage or Compensation Supplementation, to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1580.001. Definitions. (No changes.)

SECTION 2A.16. Reenacts and amends Subchapter D, Chapter 22, Education Code, as added by S.B. 1863, Acts of the 79th Legislature, Regular Session, 2005, to read as follows:

SUBCHAPTER D. HEALTH CARE

Sec. 22.101. Definitions. Amends the definition of

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

Sec. 1580.002. Authority to Adopt Rules; Other Authority.  
(No changes.)

"Participating charter school" to mean a public charter district rather than an open-enrollment charter school and makes conforming changes in statutory citations.

Sec. 22.102. Authority To Adopt Rules; Other Authority.  
(no changes, but in this section refers to the agency rather than the trustee).

No equivalent provision.

SUBCHAPTER B. DESIGNATION OF  
COMPENSATION AS HEALTH CARE  
SUPPLEMENTATION

No equivalent provision.

Sec. 1580.051. Designation of Compensation As Health Care Supplementation. (a) As provided by Section 21.402 or 22.007, Education Code, and subject to Section 1580.102, an employee of a school district, other educational district that is a member of the Teacher Retirement System of Texas, participating charter school, or regional education service center may elect to designate a portion of the employee's compensation to be used as health care supplementation under this chapter. The amount designated under this section may not exceed the amount permitted under applicable federal law.  
(b) Notwithstanding Subsection (a), an administrator, as defined by the trustee, employed by a school district, another educational district, a participating charter school, or a regional education service center is not eligible to elect to designate a portion of the person's compensation to be used as health care supplementation under this chapter.

Sec. 22.103. Designation Of Compensation As Health Care Supplementation. (a) An employee of a school district, other educational district that is a member of the Teacher Retirement System of Texas, participating charter school, or regional education service center may elect to designate a portion of the employee's compensation to be used as health care supplementation under this subchapter.  
(b) The amount designated under this section may not exceed the amount permitted under applicable federal law.  
(c) This section does not apply to:  
(1) an employee who is not covered by a cafeteria plan or who is not eligible to pay health care premiums through a premium conversion plan; or  
(2) an administrator, as defined by the trustee, employed by a school district, another educational district, a participating charter school, or a regional education service center .

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

Sec. 1580.053. Funds Held in Trust. All funds received by a *school* district, other educational district, participating charter school, or regional education service center under this *chapter* are held in trust for the benefit of the *active* employees on whose behalf the district, school, or service center received the funds.

Sec. 22.104. Funds Held in Trust. All funds received by a district, other educational district, participating charter school, or regional education service center under this *subchapter* are held in trust for the benefit of the employees on whose behalf the district, school, or service center received the funds.

No equivalent provision.

SUBCHAPTER C. EMPLOYEE ELECTION

No equivalent provision.

Sec. 1580.101. Written Election Required. (a) Each school year, an active employee must elect in writing whether to designate a portion of the employee's compensation to be used as health care supplementation under this chapter.  
(b) This section does not apply to an employee to whom Section 1580.102 applies.

Sec. 22.105. Written Election Required. Each school year, an active employee must elect in writing whether to designate a portion of the employee's compensation to be used as health care supplementation under this subchapter.

No equivalent provision.

No equivalent provision.

Sec. 22.106. Use Of Designated [ ] Compensation. An employee may use compensation designated for health care supplementation under this subchapter for any employee benefit, including depositing the amount of the distribution into a cafeteria plan, if the employee is enrolled in a cafeteria plan, or using the designated amount for health care premiums through a premium conversion plan.

No equivalent provision.

Sec. 1580.1011. Employee Covered By Cafeteria Plan. (a) To elect to designate a portion of the employee's compensation to be used as health care supplementation under this chapter, an active employee must be covered by a cafeteria plan of a school district, other educational

Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district, participating charter school, or regional education service center. The employee must elect among the options provided by the cafeteria plan.

(b) A cafeteria plan receiving funds designated as health care supplementation under this chapter may include a medical savings account option and must include, at a minimum, the following options: (1) a health care reimbursement account; (2) benefit or coverage other than that provided under Chapter 1579, or any employee coverage or dependent coverage available under Chapter 1579 but not otherwise fully funded by the state or the employer contributions, any of which must be a "qualified benefit" under Section 125, Internal Revenue Code of 1986, and its subsequent amendments; or (3) an option to divide the funds between the other options provided under this subsection.

No equivalent provision.

Sec. 1580.102. Employee Not Covered By Cafeteria Plan. If an active employee is not covered by a cafeteria plan of a school district, other educational district, participating charter school, or regional education service center, the employee is not eligible to elect to designate a portion of the employee's compensation to be used as health care supplementation under this chapter.

Same as House version.

No equivalent provision.

Sec. 1580.104. Time for Election. (No changes.)

Same as House version.

No equivalent provision.

Sec. 1580.105. Written Explanation; Election Form. (No changes.)

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
No equivalent provision.	SUBCHAPTER D. MEDICAL SAVINGS ACCOUNT	Same as House version.
No equivalent provision.	Sec. 1580.151. Definition. (No changes.)	Same as House version.
No equivalent provision.	Sec. 1580.152. Rules. (No changes.)	Same as House version.
No equivalent provision.	Sec. 1580.153. Qualification of Account. (No changes.)	Same as House version.
No equivalent provision.	Sec. 1580.154. Employee Election. (No changes.)	Same as House version.
See below.	PART J. SCHOOL SAFETY	PART K. HEALTH AND SAFETY
No equivalent provision.	SECTION 2J.01. Adds Subchapter F, Chapter 33, Education Code, Safety Regulations for Certain Extracurricular Activities, as follows: Sec. 33.201. Applicability. This subchapter applies to each public school in this state and to any other school in this state subject to University Interscholastic League regulations. Sec. 33.202. Safety Training Required. (a) Requires the commissioner by rule to develop and adopt a safety training program as provided by this section. In developing the program, the commissioner may use materials available from the American Red Cross or another appropriate entity. (b) Requires the following persons to satisfactorily complete the safety training program: (1) a coach, trainer, or sponsor for an extracurricular athletic activity; (2) except as provided by Subsection (f), a physician who is employed by a school or school district or who volunteers to assist with an extracurricular athletic activity; and (3) a	SECTION 2K.01. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

director responsible for a school marching band.

(c) Requires the safety training program to include: (1) certification of participants by the American Red Cross, the American Heart Association, or a similar organization or the University Interscholastic League, as determined by the commissioner; (2) annual training in: (A) emergency action planning; (B) cardiopulmonary resuscitation if the person is not required to obtain certification under Section 33.086; (C) communicating effectively with 9-1-1 emergency service operators and other emergency personnel; and (D) recognizing symptoms of potentially catastrophic injuries, including head and neck injuries, concussions, injuries related to second impact syndrome, asthma attacks, heatstroke, cardiac arrest, and injuries requiring use of a defibrillator; and (3) at least once each school year, a safety drill that incorporates the training described by Subdivision (2) and simulates various injuries described by Subdivision (2)(D).

(d) Requires a student participating in an extracurricular athletic activity to receive training related to: (1) recognizing the symptoms of injuries described by Subsection (c)(2)(D); and (2) the risks of using supplements designed or marketed to enhance athletic performance.

(e) Allows the safety training program and the training under Subsection (d) to each be conducted by a school or school district or by an organization described by Subsection (c)(1).

(f) Exempts a physician who is employed by a school or school district or who volunteers to assist with an extracurricular athletic activity from the requirements of

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Subsection (b) if the physician attends a continuing medical education course that specifically addresses emergency medicine for athletic team physicians.

Sec. 33.2021. Completion of University Interscholastic League Medical History Form. (a) Requires each student participating in an extracurricular athletic activity to complete the University Interscholastic League forms entitled "Preparticipation Physical Evaluation--Medical History" and "Acknowledgment of Rules." Each form must be signed by both the student and the student's parent or guardian.

(b) Requires each form described by Subsection (a) to clearly state that failure to accurately and truthfully answer all questions on a form required by statute or by the University Interscholastic League as a condition for participation in an extracurricular athletic activity subjects a signer of the form to penalties determined by the University Interscholastic League.

(c) Requires the "Preparticipation Physical Evaluation--Medical History" form described by Subsection (a) to contain the following statement: "An individual answering in the affirmative to any question relating to a possible cardiovascular health issue, as identified on the form, should be restricted from further participation until the individual is examined by the individual's primary care physician. Ultimately, the individual may need to be evaluated by a cardiologist and/or undergo cardiac testing (including an echocardiogram and/or other heart-related examination) based on the assessment by the primary care physician."

Sec. 33.203. Certain Unsafe Athletic Activities Prohibited.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Prohibits a coach, trainer, or sponsor for an extracurricular athletic activity from encouraging or permitting a student participating in the activity to engage in any unreasonably dangerous athletic technique that unnecessarily endangers the health of a student, including using a helmet or any other sports equipment as a weapon.

Sec. 33.204. Certain Safety Precautions Required. (a) Requires a coach, trainer, or sponsor for an extracurricular athletic activity to, at each athletic practice or competition, ensure that: (1) each student participating in the activity is adequately hydrated; (2) any prescribed asthma medication for a student participating in the activity is readily available to the student; (3) emergency lanes providing access to the practice or competition area are open and clear; and (4) heatstroke prevention materials are readily available.

(b) Provides that, if a student participating in an extracurricular athletic activity, including a practice or competition, is rendered unconscious during the activity, the student may not: (1) return to the practice or competition during which the student was rendered unconscious; or (2) continue to participate in any extracurricular athletic activity until the student receives written authorization from a physician.

Sec. 33.205. Compliance; Enforcement. (a) Requires a school, on request, to make available to the public proof of compliance for each person enrolled in, employed by, or volunteering for the school who is required to receive safety training described by Section 33.202.

(b) Requires the school superintendent of a school district or the director of a school subject to this subchapter to maintain complete and accurate records of the district's or

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

school's compliance with Section 33.202.

(c) Requires a school campus that is determined by the school's superintendent or director to not be in compliance with Section 33.202, 33.204, or 33.205 to discontinue all extracurricular athletic activities offered by the school campus, including all practices and competitions, until the superintendent or director determines that the school campus is in compliance.

Sec. 33.206. Contact Information. (a) Requires the commissioner to maintain an existing telephone number and an electronic mail address to allow a person to report a violation of this subchapter.

(b) Requires each school that offers an extracurricular athletic activity to prominently display at the administrative offices of the school the telephone number and electronic mail address maintained under Subsection (a).

Sec. 33.207. Notice Required. (a) Requires a school that offers an extracurricular athletic activity to provide to each student participating in an extracurricular athletic activity and to the student's parent or guardian a copy of the text of Sections 33.201-33.207 and a copy of the University Interscholastic League's parent information manual.

(b) Allows a document required to be provided under this section to be provided in an electronic format unless otherwise requested by a student, parent, or guardian.

Sec. 33.208. Incorporation of Safety Regulations. Requires the University Interscholastic League to incorporate the provisions of Sections 33.203-33.207 into the league's constitution and contest rules.

Sec. 33.209. Liability. The requirements of this subchapter are not considered ministerial acts for purposes

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

of immunity from liability under Section 22.0511.

SECTION 2J.02. Adds Section 33.087, Education Code, as follows:

Sec. 33.087. Report Concerning Automated External Defibrillators. (a) Requires the agency and the University Interscholastic League, using existing funds and other resources available for the purpose, to jointly investigate the availability of federal, state, local, and private funds for purchasing automated external defibrillators, as defined by Section 779.001, Health and Safety Code, for use by University Interscholastic League member schools, and the possibility of receiving a bulk discount on such purchases. (b) Requires the agency and the University Interscholastic League to submit a report describing the findings of the investigation to the legislature not later than June 1, 2006. (c) Provides that this section expires July 1, 2006.

SECTION 2K.02. Same as Senate version.

No equivalent provision.

SECTION 2J.03. Adds Section 37.108, Education Code, as follows:

Sec. 37.108. Multihazard Emergency Operations Plan; Security Audit. (a) Requires each school district to adopt and implement a multihazard emergency operations plan for use in district schools. The plan must address mitigation, preparedness, response, and recovery as recommended by the United States Department of Homeland Security. The plan must provide for: (1) district employee training in responding to an emergency; (2) mandatory school drills to prepare district students and employees for responding to an emergency; (3) measures to

Same as House version.

NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

ensure coordination with local emergency management agencies, law enforcement, and fire departments in the event of an emergency; and (4) the implementation of a security audit as required by Subsection (b).

(b) Requires a school district to conduct a security audit of the district's facilities at least once every three years. To the extent possible, a district shall follow security audit procedures developed by the Texas School Safety Center or a comparable public or private entity.

(c) Requires a school district to report the results of the security audit conducted under Subsection (b) to the district's board of trustees.

No equivalent provision.

SECTION 2J.04. Amends Section 37.203(a), Education Code, to make the board of directors to the Texas School Safety Center (center) an advisory board, rather than a governing board.

Same as House version.

NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.

No equivalent provision.

SECTION 2J.05. Amends Section 37.205, Education Code, Safety Training Programs, to require the center to conduct for school districts a safety training program that includes, among other things, assistance in developing a multihazard emergency operations plan for adoption under Section 37.108, Multihazard Emergency Operations Plan; Security Audit. Deletes specialized training for the staff of alternative education programs and juvenile justice alternative education programs from the list of program requirements.

Same as House version.

NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.

No equivalent provision.

SECTION 2J.06. Adds Section 37.2051, Education Code,

Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

	Security Criteria for Instructional Facilities, to require the center to develop security criteria that school districts may consider in the design of instructional facilities.	NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.
No equivalent provision.	SECTION 2J.07. Amends Section 37.208, Education Code, On-site Assistance, to make the center's provision of assistance to school districts discretionary, rather than mandatory.	Same as House version. NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.
No equivalent provision.	SECTION 2J.08. Amends Section 37.215(b), Education Code, to require the center to biannually prepare a budget request for submission to the legislature and to make conforming changes.	Same as House version. NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.
No equivalent provision.	SECTION 2J.09. Adds Section 46.0081, Education Code, Security Criteria in Design of Instructional Facilities, to require a school district that constructs a new instructional facility or conducts a major renovation of an existing instructional facility using funds allotted to the district under this subchapter to consider, in the design of the instructional facility, security criteria developed by the Texas School Safety Center under Section 37.2051.	Same as House version. NOTE: This provision was added by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.
No equivalent provision.	SECTION 2J.10. Repeals Sections 37.206 (School Safety Summit) and 37.213 (Services for Youth at Risk of Committing Violent Acts), Education Code.	Same as House version. NOTE: These Sections were repealed by S.B.11, Acts of the 79th Legislature, Regular Session, 2005.
No equivalent provision.	SECTION 2J.11. (a) Provides that, not later than December 1, 2005, the Texas School Safety Center shall: (1) develop a school safety program that includes assistance	Same as House version. NOTE: This provision was included in S.B.11, Acts of the 79th Legislature, Regular Session, 2005.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

to school districts in developing a multihazard emergency operations plan as required by Section 37.205, Education Code, as amended by this Act; and (2) develop security criteria for the construction and renovation of school district instructional facilities as required by Section 37.2051, Education Code, as added by this Act.

(b) Provides that not later than March 1, 2006, each school district shall adopt a multihazard emergency operations plan as required by Section 37.108, Education Code, as added by this Act.

PART K. HEALTH AND SAFETY

SECTION 2K.01. Amends the heading to Section 34.008, Education Code, to read as follows: Contract With Transit Authority, Commercial Transportation Company, or Juvenile Board.

SECTION 2K.02. Amends Section 34.008(a), Education Code, relating to contracts for public school transportation, to allow a board of county school trustees or school district board of trustees to contract with, among other entities, *a juvenile board* for all or any part of a district's public school transportation.

SECTION 2K.03. Adds Section 34.012, Education Code, Funding for Safety or Lap Belts.

SECTION 2K.04. Adds Section 34.013 Education Code, Location of Bus Stop, to require a school district, when

PART L. SAFETY OR LAP BELTS IN SCHOOL BUSES

No equivalent provision.

No equivalent provision.

SECTION 2L.01. Same as House version.

No equivalent provision.

SECTION 2K.03. Same as House version.

SECTION 2K.04. Same as House version.

SECTION 2K.05. Same as House version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

designating the location of a bus stop, to consider the stop's proximity to the residence of an individual as to whom the district superintendent or a school administrator has received notice under Article 62.054, Code of Criminal Procedure. Requires the district to attempt to locate each bus stop at least 1,500 feet from that residence as measured in a straight line from the nearest property line of the residence to the bus stop.

SECTION 2K.05. Adds Section 38.0041, Education Code, Child Abuse and Neglect Recognition and Response Training Pilot Program, to require the agency, not later than July 31, 2006, and, in consultation with the Department of Family and Protective Services, to develop a pilot program to train school district employees in recognizing and responding appropriately to child abuse and neglect, which program must be designed to provide uniform training standards for school district employees statewide. Requires the commissioner to select at least two districts in which to implement the pilot program, including a district located in a county that has a population of fewer than 1.4 million and contains at least 12 school districts. Requires the pilot program's implementation beginning with the 2006-2007 school year and requires the commissioner, not later than January 1, 2011, to a report on the program's effectiveness to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of the standing committee of each house of the legislature with primary jurisdiction over public education.

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2K.06. Amends the heading to Section 38.015, Education Code, to read as follows: Self-Administration of Prescription Asthma or Anaphylaxis Medicine by Students.

No equivalent provision.

SECTION 2K.06. Same as House version.

SECTION 2K.07. Amends Sections 38.015(a) and (b), Education Code, relating to self-administration of asthma medicine by student, to allow a student with anaphylaxis to possess and self-administer prescription medicine for the condition while on school property or at a school-related event or activity as a student with asthma currently is allowed to do. Conditions the possession and self administration of asthma or anaphylaxis medicine on, among other factors, the student's demonstration to the student's physician or other licensed health care provider and the school nurse, if available, of the skill level necessary to self-administer the prescription medication, including the use of any device required to administer the medication.

No equivalent provision.

SECTION 2K.07. Same as House version.

SECTION 2K.08. Amends the heading to Chapter 95, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, to as follows:  
Risk Assessment for Type 2 Diabetes [Acanthosis Nigricans Screening

No equivalent provision.

Same as Senate version.

SECTION 2K.09. Adds Section 95.001(1-a), Health and Safety Code, to define "Department" as the Department of State Health Services.

No equivalent provision.

Same as Senate version.

SECTION 2K.10. Amends Sections 95.002, 95.003, and

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

95.004, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, as follows:

Sec. 95.002. Type 2 Diabetes Education and Risk Assessment Program. (a) Requires the office to administer a risk assessment program for Type 2 diabetes in accordance with this chapter.

(b) Requires the executive council by rule to coordinate the risk assessment for Type 2 diabetes of individuals who attend public or private schools located in Texas Education Agency Regional Education Service Centers 1, 2, 3, 4, 10, 11, 13, 15, 18, 19, and 20 and, by using existing funding as efficiently as possible or by using other available funding, in additional regional education service centers.

(c) Requires the rules to include procedures necessary to administer the risk assessment program, including procedures that require each school to record and report risk assessment activities using: (1) the Centers for Disease Control and Prevention's Epi Info or similar surveillance software selected by the office; or (2) an existing database used to administer and track risk assessment data.

(d) Requires the office require a risk assessment for Type 2 diabetes to be performed at the same time hearing and vision screening is performed under Chapter 36 or spinal screening is performed under Chapter 37. The risk assessment for Type 2 diabetes should: (1) identify students with a body mass index above the normal range; and (2) further assess students identified under Subdivision (1) for acanthosis nigricans and elevated blood pressure.

(e) Allows the office to: (1) coordinate the risk assessment

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

for Type 2 diabetes activities of school districts, private schools, state agencies, volunteer organizations, universities, and other entities so that the efforts of each entity are complementary and not fragmented and duplicative; and (2) provide technical assistance to those entities in developing risk assessment programs.

(f) Requires the office to: (1) provide educational and other material to assist local risk assessment activities; (2) monitor the quality of risk assessment activities provided under this chapter; and (3) consult with the Board of Nurse Examiners to determine the training requirements necessary for a nurse or other person to conduct risk assessment activities under this chapter.

(g) Requires the office to periodically provide information on obesity, Type 2 diabetes, and related conditions to physicians.

(h) Requires the office to provide to the department the information necessary for the department to conduct an evaluation of the risk assessment program conducted under this chapter in accordance with the recommendations of the Type 2 Diabetes Risk Assessment Program Advisory Committee under Section 103.0125. This subsection expires September 1, 2007.

Sec. 95.003. Compliance With Risk Assessment Requirements. Amends provisions previously applicable to compliance with the mandatory screening for acanthosis nigricans and makes them applicable to compliance with requirements for risk assessment for Type 2 diabetes.

Sec. 95.004. Records; Reports. Amends recordkeeping and reporting requirement provisions previously applicable to screening for acanthosis nigricans and makes them

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

applicable to risk assessments for Type 2 diabetes. In Subsection (a), requires the chief administrator of each school to maintain, on a form prescribed by the executive council, risk assessment records for each individual in attendance and enter the risk assessment information for each individual on the Centers for Disease Control and Prevention's Epi Info or similar surveillance software selected by the office. In Subsection (d), requires the report on the risk assessment to include: (1) an explanation of: (A) the process for assessing risk for developing Type 2 diabetes; (B) the body mass index; (C) the risk factors associated with developing Type 2 diabetes; and (D) the reasons the individual was identified in the risk assessment process as being at risk for developing Type 2 diabetes; (2) a statement concerning an individual's or family's need for further evaluation for Type 2 diabetes and related conditions; and (3) instructions to help the individual or family receive evaluation by a physician or other health care provider. In Subsection (f), requires the annual report on individuals' risk assessment status to be compiled from the information entered into the surveillance software and be on a form prescribed by the executive council. In Subsection (g), Requires the office to analyze and compile a summary of the reports submitted by schools under Subsection (e), file a copy of the summary with the Type 2 Diabetes Risk Assessment Program Advisory Committee established under Section 103.0125, and make the summary available to schools and the public on request, and in Subsection (h), requires the office to submit a report concerning the effectiveness of the risk assessment program for Type 2 diabetes to the department, rather than

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

to the governor and legislature.

SECTION 2K.11. Adds Section 95.005, Gifts And Grants, to Chapter 95, Health and Safety Code, as that chapter was added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, to allow the Texas-Mexico Border Health Coordination Office of The University of Texas-Pan American to accept gifts, grants, and donations to support the Type 2 diabetes risk assessment program conducted under this chapter.

No equivalent provision.

Same as Senate version.

SECTION 2K.12. Adds Section 103.0125, Health and Safety Code, Type 2 Diabetes Risk Assessment Program Advisory Committee, as follows: (a) Requires the Texas Diabetes Council to establish the Type 2 Diabetes Risk Assessment Program Advisory Committee to advise the Texas-Mexico Border Health Coordination Office of The University of Texas--Pan American on the Type 2 diabetes risk assessment program conducted under Chapter 95. (b) Specifies the advisory committee's composition. (c) Prohibits a person required to register as a lobbyist from serving on the advisory committee. (d) Requires the council's representative to serve as the committee's presiding officer. (e) Provides that Chapter 2110, Government Code, does not apply to the committee's size, composition, or duration. (f) Requires the advisory committee to: (1) recommend the person who should be responsible for conducting risk assessment activities under Chapter 95 for schools that do not employ a school nurse; (2) advise the Texas-Mexico

No equivalent provision.

Same as Senate version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Border Health Coordination Office of The University of Texas--Pan American on the age groups that would benefit most from the risk assessment activities; (3) recommend a method to record and report the number of children identified in the risk assessment process as being at risk for having or developing Type 2 diabetes and who qualify for the national free or reduced-price lunch program; (4) recommend a timeline for the Texas-Mexico Border Health Coordination Office of The University of Texas--Pan American to implement the advisory committee's recommended risk assessment activities, surveillance methods, reports, and quality improvements; and (5) contribute to the state plan for diabetes treatment developed by the council by providing statistics and information on the risk assessment activities conducted under Chapter 95 and recommendations for assisting children in this state at risk for developing Type 2 diabetes.

(g) Requires the advisory committee to recommend a method for the department to evaluate the Type 2 diabetes risk assessment program. Requires the department to conduct the evaluation in accordance with this subsection and the advisory committee's recommendations and file a report on the evaluation with the governor and the legislature's presiding officers not later than January 1, 2007. Requires that the method include: (1) an evaluation of the burden and benefits of the program; (2) an evaluation of the costs and expenses of the program to determine the most efficient use of the resources available for the program; (3) recommendations for legislation that amends Chapter 95; and (4) any other component the committee considers advisable.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(h) Provides that Subsection (g) and this subsection expire September 1, 2007.

SECTION 2K.13. (a) Requires the executive head of the following entities, as early as practicable after the effective date of this Act, to appoint a representative to serve on the Type 2 Diabetes Risk Assessment Program Advisory Committee created under Section 103.0125, Health and Safety Code, as added by this Act: (1) the Texas Diabetes Council; (2) the Department of State Health Services; (3) the Texas Education Agency; (4) the Texas Medical Association; (5) the Texas Pediatric Society; (6) the American Heart Association; (7) the American Diabetes Association; (8) The University of Texas--Pan American; and (9) the schools and school district selected by the Texas Diabetes Council for this purpose.

(b) Requires the head of the Texas Diabetes Council, as early as practicable after the effective date of this Act, to appoint a parent or guardian of a child in this state with Type 2 diabetes to serve on the Type 2 Diabetes Risk Assessment Program Advisory Committee.

SECTION 2K.14. Repeals Section 95.001(6), Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 2K.15. Provides that Section 34.012, Education Code, as added by this Act, applies beginning with the 2005-2006 school year.

No equivalent provision.

No equivalent provision.

No equivalent provision.

Same as Senate version.

Same as Senate version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

PART L. EFFECTIVE DATE; IMPLEMENTATION

SECTION 2L.01. Unless otherwise provided by this Article, this article takes effect November 1, 2005, and applies beginning with the 2005-2006 school year.

SECTION 2L.02. The commissioner of education may delay, until the beginning of the 2006-2007 school year, implementation of any change in law made by this article intended to take effect November 1, 2005, as the commissioner determines necessary to properly implement the provision.

PART L. CURRICULUM

No equivalent provision.

Same as Senate version.

SECTION 2L.01. Adds Section 28.002(d), Education Code, to require the SBOE, in identifying the essential knowledge and skills of U.S. history, to consult with an advisory committee appointed under this subsection in addition to those persons with whom the board is required under Subsection (c) to consult. Requires each board member to appoint a person with expertise in one or more areas of U.S. history to represent that member on the committee. Requires the essential knowledge and skills of U.S. history identified by the board to cover the colonial period through the present and requires the amount of class time provided to study U.S. history before 1877 and the amount of testing over history before 1877 to be as equal as practicable to the amount of class time and testing for history beginning in 1877.

No equivalent provision.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 2L.02. Requires the SBOE, as soon as practicable after the effective date of this Act, to identify the essential knowledge and skills of the public school U.S. history curriculum in accordance with Section 28.002(d), Education Code, as added by this Act, and approve new U.S. history instructional materials in accordance with Section 31.0252, Education Code, as added by this Act.

No equivalent provision.

Same as Senate version.

SECTION 2L.03. Adds Section 28.002(p), Education Code, to require the SBOE, in conjunction with the office of the attorney general, to develop a parenting and paternity awareness program that a school district shall use in its high school health curriculum. Requires the program to: (1) address parenting skills and responsibilities, including child support and other legal rights and responsibilities that come with parenthood; (2) address relationship skills, including money management, communication skills, and marriage preparation; and (3) in district high schools that do not have a family violence prevention program, address skills relating to the prevention of family violence.

No equivalent provision.

Same as Senate version.

SECTION 2L.04. (a) Requires the SBOE, not later than May 1, 2006, to develop a parenting and paternity awareness program as provided by Section 28.002(p), Education Code, as added by this Act.

No equivalent provision.

Same as Senate version.

(b) Requires a school district to use the parenting and paternity awareness program developed by the SBOE as provided by Section 28.002(p), Education Code, as added by this Act, beginning with the 2006-2007 school year.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

PART M. CLASSROOM SERVICE BY MEMBERS OF  
THE LEGISLATURE

No equivalent provision.

Same as Senate version.

SECTION 2M.01. Adds Section 22.902, Education Code, Classroom Service by Members of the Legislature, to require each member of the legislature to provide at least eight hours of service in a public school classroom during each two-year period that begins on January 1 of an odd-numbered year. Allows a member to comply by: (1) serving as a substitute teacher; (2) acting as a mentor or tutor to a student; (3) making presentations to students on topics chosen by the member that are relevant to the curriculum; or (4) acting in another manner that enhances the education received by students and involves the member's presence in the classroom.

No equivalent provision.

Same as Senate version.

SECTION 2M.02. Provides that, notwithstanding Section 22.902, Education Code, as added by this Act, a member of the 79th Legislature is not required to provide more than four hours of classroom service as described by that section during the two-year period beginning January 1, 2005.

No equivalent provision.

Same as Senate version.

ARTICLE 3. CONFORMING AMENDMENTS

ARTICLE 5. CONFORMING AMENDMENTS

ARTICLE 3. CONFORMING AMENDMENTS

SECTION 3.01. Amends Section 7.024(a), Education Code, relating to the investment capital fund, to conform a statutory citation to Chapter 42 as added by Article 1.

No equivalent provision.

SECTION 3.01. Same as House version.

SECTION 3.02. Amends Section 7.055(b)(34), Education Code, relating to the commissioner' powers and duties, to

SECTION 5B.01. Same as House version.

SECTION 3.02. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

require the commissioner to perform certain duties in connection with equalization actions rather than with the equalized wealth level under Chapter 41.

SECTION 3.03. Amends Section 11.158(a), Education Code, relating to a board of trustees' authority to charge fees, to delete an exception to the board's authority to charge a reasonable fee for transportation of certain students, which was based on the district's former transportation allotment.

SECTION 3.04. Amends Section 12.013(b), Education Code, relating to the applicability of title to home rule districts.

SECTION 3.05. Amends Section 13.054(f), Education Code, relating to the annexation of academically unacceptable district, to make a conforming change in references to the district's local share, rather than to its local fund assignment and makes a conforming statutory citation change.

SECTION 3.06. Amends Sections 13.282(a) and (b), Education Code, relating to the amount and computation of incentive aid, to make conforming statutory citation changes.

SECTION 3.07. Amends Section 21.410(h), Education Code, relating to the master reading teacher grant program, to make a conforming statutory citation change.

No equivalent provision.

SECTION 5B.02 Same as House version.

No equivalent provision.

No equivalent provision.

SECTION 5B.03. Same as House version.

SECTION 3.03. Amend Section 11.158(a), Education Code, to make a conforming change in the statutory citation to the transportation allotment rather than to delete the exception.

SECTION 3.04. Same as House version.

SECTION 3.05. Same as House version.

SECTION 3.06. Same as House version.

SECTION 3.07. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 3.08. Amends Section 21.411(h), Education Code, relating to the master mathematics teacher grant program, to make a conforming statutory citation change.

SECTION 3.09. Amends Section 21.412(h), Education Code, relating to the master technology teacher grant program, to make a conforming statutory citation change.

SECTION 3.10. Amends Section *21.414(h)*, Education Code, *as renumbered by Section 23.001(12), H.B. No. 2018, Acts of the 79th Legislature, Regular Session, 2005*, to make a conforming statutory citation change.

NOTE: The text of the provision being amended pertains to Section *21.413(h)*, Education Code *as added by Section 2, Chapter 430, Acts of the 78th Legislature, Regular Session, 2003*, relating to the master science teacher grant program.

SECTION 3.11. Amends Section 21.453(b), Education Code, relating to the staff development account, to make a conforming statutory citation change.

Amends Section 22.004(c), Education Code, as amended by S.B. 1691, Acts of the 79th Legislature, Regular Session, 2005, relating to group health benefits for school employees, to require the cost of coverage provided under a plan adopted under Subsection (b) to be shared by the employees and the district using the contributions by the state described by Subchapter F, Chapter 1579, Insurance Code. Deletes reference to Subchapter D.

SENATE VERSION

SECTION 5B.04. Same as House version.

SECTION 5B.05. Same as House version.

SECTION 5B.06. Same as House version, except refers to Section *21.413(h)*, Education Code *as added by Section 2, Chapter 430, Acts of the 78th Legislature, Regular Session, 2003*, relating to the master science teacher grant program.

SECTION 5B.07. Same as House version.

SECTION 5A.01. Substantially the same as House version, except requires the cost to be shared by the employees and the district using the contributions by the state described by Subchapter F, Chapter 1579, Insurance Code, *or by Chapter 1580, Insurance Code*.

CONFERENCE

SECTION 3.08. Same as House version.

SECTION 3.09. Same as House version.

SECTION 3.10. Amends Section *21.414(h)*, Education Code, *as added by Chapter 340, Acts of the 78th Legislature, Regular Session, 2003*. As amended, same as House version.

SECTION 3.11. Same as House version, except amends this section effective November 1, 2005.

SECTION 3.12. Same as House version, except amendment is effective November 1, 2005, and requires the cost of coverage provided under a plan adopted under Subsection (b) to be shared by the employees and the district using the contributions by the state described by Subchapter F, Chapter 1579, Insurance Code, *or compensation designated for health care supplementation under Subchapter D*.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 3.13. Amends Section 29.008(b), Education Code, relating to contracts for special education services and residential placement, to make a conforming change in a reference to a district's local share rather than to its local fund assignment and to make a conforming statutory citation change.

No equivalent provision.

SECTION 3.13. Same as House version.

SECTION 3.14. Amends Section 29.014(d), Education Code, relating to districts that provide education to students confined to or educated in a hospital, to make a conforming change in a reference to the *accreditation allotment*, rather than the *basic allotment*, so that the allotment is adjusted by, among other adjustments, *any other appropriate factor adopted by the commissioner*, rather than *the weight for a homebound student*. Makes a conforming statutory citation change.

SECTION 5B.08. Makes the same conforming change in referring to the *accreditation allotment* but retains current language relating to the *weight for a homebound student*. Does not change the citation.

SECTION 3.14. Same as House version.

SECTION 3.15. Amends Section 29.087(j), Education Code, relating to high school equivalency programs, to delete a reference to funding under Chapters 41.

SECTION 5B.09 Same as House version.

SECTION 3.15. Same as House version.

SECTION 3.16. Amends Section 29.161(a), Education Code, relating to the school readiness certification system, to make a conforming statutory citation change.

No equivalent provision.

SECTION 3.16. Same as House version, except amends this section effective November 1, 2005.

SECTION 3.17 reserved.

No equivalent provision.

Same as Senate version.

SECTION 3.18. Amends Section 29.203(b), Education Code, relating to funding of the Public Education Grant program, to delete references to a district's per-student

SECTION 5B.11 Same as House version.

SECTION 3.17. Same as House version.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

property wealth relative to the equalized wealth level and to make a conforming statutory citation change.

SECTION 3.19. Amends Section 33.002(a), Education Code, relating to a certified counselor to make a conforming statutory change.

SECTION 3.20. Amends Section 34.002(c), Education Code, relating to transportation safety standards, to make a conforming statutory citation change.

SECTION 3.21. Amends Section 37.0061, Education Code, Funding for Alternative Education Services In Juvenile Residential Facilities, to delete references to a district's per-student property wealth relative to the equalized wealth level.

SECTION 3.22. Amends Section 39.031, Education Code, Cost to require the commissioner to set aside an appropriate amount from the Foundation School Program to pay the cost of preparing, administering, or grading tests and the cost of releasing the question and answer keys. Deletes a requirement that the costs of test preparation, administration, or grading be paid from the districts' compensatory education allotment. Requires the commissioner, after setting aside an appropriate amount in accordance with this section, to reduce each district's tier one allotments proportionately. A reduction in tier one allotments under this subsection does not affect the computation of the guaranteed amount of revenue per

No equivalent provision.

No equivalent provision.

SECTION 5B.13. Same as House version.

No equivalent provision.

SECTION 3.18. Same as House version.

SECTION 3.19. Same as House version.

SECTION 3.20. Same as House version.

SECTION 3.21. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

student per cent of tax effort under Section 42.252. Requires any set asides under this section to be approved by the Legislative Budget Board and the governor's office of budget, planning, and policy.

SECTION 3.23. Amends Section 39.183, Education Code, Regional and District Level Report, to make a conforming statutory citation change.

SECTION 3.24. Amends Section 43.002(b), Education Code, relating to transfers from the permanent school fund and general revenue fund to the available school fund, to make conforming statutory citation changes.

No equivalent provision.

SECTION 3.25. Amends Section 46.003(a), Education Code, relating to the school facilities allotment, to delete a

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 3.22. Same as House version, except amends this section effective November 1, 2005.

SECTION 3.23. Same as House version.

SECTION 3.24. Amends Sections 44.004(b), (e), and (i), and adds (b-1) and (b-2) Education Code, relating to a notice of a budget and tax rate meeting and budget adoption, to require that the notice be not smaller than one-quarter page of a standard- or tabloid-size newspaper and that the headline be in 18-point type or larger. As an alternative, allows a school district to publish the required notice on its Internet website not earlier than the 30th day or later than the 10th day before the date of the hearing. Requires a district that publishes notice in this manner to have a link on its website that is clearly identified as the link to the public notice for the budget and proposed tax rate hearing.

SECTION 3.25. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

statutory citation.

SECTION 3.26. Amends Section 46.006(g), Education Code, relating to a shortage or excess of funds appropriated for new projects, to delete a statutory citation,

No equivalent provision.

SECTION 3.26. Same as House version.

SECTION 3.27. Amends Sections 46.009(b), (c), and (f), Education Code, relating to payment of school facilities allotment, to make conforming statutory citation changes and to make a conforming reference to the Texas education fund rather than to the foundation school fund.

No equivalent provision.

SECTION 3.27. Same as House version.

SECTION 3.28. Amends Section 46.013, Education Code, Multiple Allotments Prohibited, to make a conforming statutory citation change.

No equivalent provision.

SECTION 3.28. Same as House version.

SECTION 3.29. Amends Section 46.032(a), Education Code, relating to the allotment for assistance with payment of existing debt, to delete a statutory citation.

No equivalent provision.

SECTION 3.29. Same as House version.

SECTION 3.30. Amends Section 46.037, Education Code, Multiple Allotments Prohibited, to make a conforming statutory citation change.

No equivalent provision.

SECTION 3.30. Same as House version.

SECTION 3.31. Amends Section 56.208, Education Code, Funding, to make a conforming change in deleting a reference to provisions not incorporated into Chapter 42 as added by SECTION 1A.01 and to conform references to the Texas education fund rather than to the foundation school fund.

No equivalent provision.

SECTION 3.31. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 5B.14. Amends Section 87.208, Education Code, to change the way the Seaborne Conservation Corps program's per student allotment is calculated. In addition to using as its local share the equivalent of the local fund assignment of the school district in which the program's principal facilities are located, the amended formula applies the average district enrichment tax rate for the state as if it were the program's district enrichment tax rate under Section 42.302.

Same as House version.

No equivalent provision.

SECTION 5B.15. Amends Section 96.707(k), Education Code, to change the way the Texas Academy of Leadership in the Humanities' per student allotment is calculated. In addition to using as its local share the equivalent of the local fund assignment of the Beaumont Independent School District, the amended formula applies the average district enrichment tax rate for the state as if it were the program's district enrichment tax rate under Section 42.302.

Same as House version.

SECTION 3.32. Amends Section 105.301(e), Education Code, relating to the establishment of the Texas Academy of Mathematics and Science, to make a conforming statutory citation change.

SECTION 5B.16 Amends Section 105.301(e), Education Code, to change the way the Texas Academy of Mathematics and Science's foundation school program allotments are calculated, so that, in determining funding for the academy, the adjustment under Section 42.102 is the adjustment of the school district in which the principal facilities of the academy are located; and the district enrichment tax rate under Section 42.302 is the average district enrichment tax rate for the state.

SECTION 3.32. Same as House version.

SECTION 3.33. Amends Section 317.005(f), Government

SECTION 5B.17 Same as House version except does not

SECTION 3.33. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Code, relating to state budget execution and action on a gubernatorial proposal, to make a conforming statutory citation change and to refer to an increase in the *accreditation* allotment, rather than in the *basic* allotment.

make the conforming statutory change.

SECTION 3.34. Amends Section 403.093(d), Government Code, relating to allocations from the general revenue fund, to make conforming citation changes and to conform a reference to the Texas education fund rather than to the foundation school fund.

No equivalent provision.

SECTION 3.34. Same as House version.

SECTION 3.35. Amends Section 403.302(k), Government Code, relating to the determination of school district property values, to make a conforming statutory citation change.

No equivalent provision.

SECTION 3.35. Same as House version, except also requires the comptroller to certify to the commissioner a final value for each school district computed after deducting the total dollar amount of residence homestead exemptions granted under Section 11.13(n), Tax Code..

SECTION 3.36. Amends Section 404.121(1), Government Code, relating to definitions of terms pertaining to tax and revenue anticipation notes, to make a conforming statutory citation change.

No equivalent provision.

SECTION 3.36. Same as House version.

SECTION 3.37. Amends Section 466.355(c), Government Code, relating to the state lottery account, to conform references to the Texas education fund rather than to the foundation school fund, and to delete a reference to a statutory citation..

No equivalent provision.

SECTION 3.37. Same as House version.

SECTION 3.38. Amends Section 822.201(c), Government Code, as amended by S.B. 1691 and S.B. 1863, Acts of the

SECTION 5A.02. Amends Section 822.201(c), Government Code to exclude *compensation designated by*

SECTION 3.38. Effective November 1, 2005, Amends Section 822.201(c), Government Code to exclude any

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

*79th Texas Legislature, Regular Session, 2005*, relating to compensation of members in the Texas Teacher Retirement System, to exclude *any amounts received under the educator excellence incentive program under Subchapter N, Chapter 21, Education Code* from the salary and wages that are the basis for computation of contributions and credits for benefits. Deletes a provision that excluded contributions to a health reimbursement arrangement account received by an employee under Article 3.50-8, Insurance Code.

*an employee as health care supplementation under Chapter 1580, Insurance Code, subject to the following limits: (A) \$1,000, for an employee entitled to the minimum salary under Section 21.402, Education Code; (B) \$1,000, for a full-time support staff employee entitled to a wage increase under Section 22.007(a), Education Code; and (C) \$500, for a part-time support staff employee entitled to a wage increase under Section 22.007(b), Education Code.* Deletes the same provision.

compensation designated as health care supplementation by an employee under Subchapter D, Chapter 22, Education Code, subject to the following annual limits: (A) \$1,000, for an employee entitled to the minimum salary under Section 21.402, Education Code; and (B) \$500, for any other school employee entitled under Section 22.103, Education Code, to designate a portion of the employee's compensation to be used as health care supplementation; any amount received by an employee under former Article 3.50-8, Insurance Code, former Chapter 1580, Insurance Code, or Rider 9, Page III-39, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); amounts received under the educator excellence incentive program under Subchapter N, Chapter 21, Education Code; and any compensation not described by Subsection (b).

SECTION 3.39. Amends Section 2175.304(c), Government Code, relating to an exception for colleges and universities from requirements governing the transfer, sale, or disposal of surplus or salvage property, to conform the criteria for giving preference to low wealth district so that low wealth is determined by the commissioner rather than by the level of taxable wealth that entitles a district to state aid under the guaranteed yield system. Makes other conforming changes.

SECTION 5B.18. Same as House version.

SECTION 3.39. Same as House version.

SECTION 3.40. Amends Section 1579.251(a) and adds (c), Insurance Code, relating to state assistance to employees in the purchase of group health coverage, as

SECTION 5B.19. Amends Section 1579.251(a), Insurance Code, to require that state aid be distributed through the school finance formulas under *Chapter 42, Education*

SECTION 3.40. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

follows: (a) Requires that state aid be distributed through the school finance formulas under *Chapters 41 and 42, Education Code, and be used by school districts and charter schools to pay contributions under a group health coverage plan for employees.*

c) Entitles a district or charter school that does not participate in the school employees uniform group coverage program to state aid computed and distributed as provided by Subsection (a) and requires state funds received under this subsection to be used to pay for employee health coverage.

SECTION 3.41. Amends Section 1581.702, Insurance Code, Additional Support, to require the state to provide additional support for a school district to which this section applies in an amount computed by multiplying the total amount of supplemental compensation that district employees would have received under Chapter 1580, as it existed on January 1, 2005, by 0.062.

SECTION 3.42. Amends Section 302.006(c), Labor Code, relating to professional child-care training scholarships, bonuses, and wage supplementation, to refer to campuses considered academically unacceptable rather than to campuses considered low-performing.

SECTION 3.43. Amends Section 6.02(b), Tax Code, relating to appraisal district boundaries, to delete a provision pertaining to property annexed under subchapters of Chapter 41 that are repealed by this act.

*Code, in a manner the commissioner of education determines appropriate.*

No equivalent provision.

SECTION 5B.20. Same as House version.

SECTION 5B.21. Same as House version.

SECTION 8.01(d) repeals Section 1581.702, Insurance Code, effective November 1, 2005.

SECTION 3.41. Same as House version, except amends this section effective November 1, 2005.

SECTION 3.42. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 3.44. Amends Section 21.02(a), Tax Code, relating to the taxable situs of tangible personal property, to delete a citation and make certain nonsubstantive changes.

SECTION 5B.22. Same as House version.

SECTION 3.43. Same as House version.

SECTION 3.45. Amends Section 313.029, Tax Code, Tax Rate Limitation, to make a conforming change relating to the applicability of a school district's rollback tax rate as a limitation on the tax rate that it may adopt.

No equivalent provision.

SECTION 3.44. Same as House version.

No equivalent provision.

SECTION 5B.23. Amends Section 39.901(d), Utilities Code, relating to the school funding loss mechanism under electric utility restructuring, to make a conforming statutory citation change.

Same as House version.

No equivalent provision.

SECTION 5B.24. Provides that Part 5B, Conforming Amendments Related to Education Funding and Equalization, applies beginning with the 2006-2007 school year.

Same as House version.

No equivalent provision.

SECTION 5A.03. Applies Part A, Conforming Amendments Effective September 1, 2005, beginning with the 2005-2006 school year.

SECTION 3.45. Provides that, except otherwise provided, by this act, this article takes effect September 1, 2006.

ARTICLE 4. CHARTER SCHOOLS

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ARTICLE 4. CHARTER SCHOOLS

SECTION 4.01. (a) Effective August 1, 2006, repeals Subchapter D, Chapter 12, Education Code, Open-Enrollment Charter Schools.

SECTION 4.01. Same as House version.

SECTION 4.01. Same as House version.

(b) Except as provided by Section 11A.1041, Education Code, as added by this Act, requires each open-enrollment



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

charter school operating or holding a charter to operate on August 1, 2006, to be dissolved in accordance with Subchapter J, Chapter 11A, Education Code, as added.

SECTION 4.02. Adds Chapter 11A, Education Code, Public Charter Districts, as follows:

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11A.001. Definitions.

Sec. 11A.002. Authorization.

Sec. 11A.003. Authority Under Charter.

Sec. 11A.004. Status.

Sec. 11A.005. Immunity From Liability.

Sec. 11A.006. Reference to Open-Enrollment Charter School.

SUBCHAPTER B. APPLICABILITY OF CERTAIN LAWS

Sec. 11A.051. General Applicability of Laws, Rules, and Ordinances to Public Charter District.

Sec. 11A.052. Applicability of Title.

SECTION 4.02. Same as House version.

Same as House version.

Sec. 11A.001. Same as House version.

Sec. 11A.002. Same as House version.

Sec. 11A.003. Same as House version.

Sec. 11A.004. Same as House version.

Sec. 11A.005. Same as House version.

Sec. 11A.006. Same as House version.

Same as House version.

Sec. 11A.051. Same as House version.

Sec. 11A.052. Same as House version.

SECTION 4.02. Same as House version.

Same as House version.

Sec. 11A.001. Same as House version.

Sec. 11A.002. Same as House version.

Sec. 11A.003. Same as House version.

Sec. 11A.004. Same as House version.

Sec. 11A.005. Same as House version.

Sec. 11A.006. Same as House version.

Same as House version.

Sec. 11A.051. Same as House version.

Sec. 11A.052. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
Sec. 11A.053. Applicability of Open Meetings and Public Information Laws.	Sec. 11A.053. Same as House version.	Sec. 11A.053. Same as House version.
Sec. 11A.054. Applicability of Laws Relating to Local Government Records.	Sec. 11A.054. Same as House version.	Sec. 11A.054. Same as House version.
Sec. 11A.055. Applicability of Laws Relating to Public Purchasing And Contracting.	Sec. 11A.055. Same as House version.	Sec. 11A.055. Same as House version.
Sec. 11A.056. Applicability of Laws Relating to Conflict of Interest.	Sec. 11A.056. Same as House version.	Sec. 11A.056. Same as House version.
Sec. 11A.057. Applicability of Nepotism Laws.	Sec. 11A.057. Same as House version.	Sec. 11A.057. Same as House version.
SUBCHAPTER C. CHARTER ISSUANCE AND ADMINISTRATION	Same as House version.	Same as House version.
Sec. 11A.101. Application.	Sec. 11A.101. Same as House version.	Sec. 11A.101. Same as House version.
Sec. 11A.102. Notification of Charter Application. Requires the commissioner by rule to adopt a procedure for providing notice on receipt by the State Board of Education of an application for a charter for a public charter <i>school</i> under Section <i>11A.002</i> , to the board of trustees of each school district from which the proposed charter school is likely to draw students, as determined by the commissioner; and to each member of the legislature that represents the geographic area to be served by the proposed school, as determined by the commissioner.	Sec. 11A.102. Same as House version, except does not require notification of board of trustees of each affected school district. Refers to an application for a public charter <i>district</i> under Section <i>11A.101</i> .	Sec. 11A.102. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 11A.103. Content.

Sec. 11A.103. Substantially the same as House version.

Sec. 11A.103. Same as House version.

Sec. 11A.104. Form.

Sec. 11A..104. Same as House version.

Sec. 11A..104. Same as House version.

Sec. 11A.1041. Grant of Charter Required for Certain Entities. Requires the commissioner immediately to grant a charter under this chapter to the certain entities on or before August 1, 2006. Includes among those entities listed an eligible entity holding a charter granted before September 1, 2002, under Subchapter D, Chapter 12, as that subchapter existed on January 1, 2005, if: (A) for fiscal years 2004 and 2005, the entity had total assets that exceeded total liabilities, as determined by the entity's annual audit report under Section 44.008; (B) at least 30 percent of all students enrolled at the entity's open-enrollment charter school and administered an assessment instrument under Section 39.023(a), (c), or (l) performed satisfactorily on the assessment instrument in mathematics, as determined by the school's assessment instrument results for the 2005-2006 school year; and (C) at least 30 percent of all students enrolled at the entity's open-enrollment charter school and administered an assessment instrument under Section 39.023(a), (c), or (l) performed satisfactorily on the assessment instrument in reading or English language arts, as applicable, as determined by the school's assessment instrument results for the 2005-2006 school year.

Sec. 11A.1041. Same as House version, except in Subdivisions (B) and (C) establishes a lower threshold of 25 percent of all students taking the specified test performing satisfactorily on those tests.

Sec. 11A.1041. Same as Senate version.

Sec. 11A.1042. Determination of Acceptable Performance.

Sec. 11A.1042. Same as House version.

Sec. 11A.1042. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
Sec. 11A.105. Charter Granted.	Sec. 11A.105. Same as House version.	Sec. 11A.105. Same as House version.
Sec. 11A.106. Revision.	Sec. 11A.106. Same as House version.	Sec. 11A.106. Same as House version.
Sec. 11A.107. Basis for Modification, Placement on Probation, or Revocation.	Sec. 11A.107. Substantially the same as House version.	Sec. 11A.107. Same as House version.
Sec. 11A.108. Procedure for Modification, Placement on Probation, or Revocation.	Sec. 11A.108. Same as House version.	Sec. 11A.108. Same as House version.
Sec. 11A.109. Appeal of Modification, Placement on Probation, or Revocation.	Sec. 11A.109. Same as House version.	Sec. 11A.109. Same as House version.
Sec. 11A.110. Effect of Revocation or Surrender of Charter.	Sec. 11A.110. Same as House version.	Sec. 11A.110. Same as House version.
SUBCHAPTER D. POWERS AND DUTIES OF GOVERNING BODIES OF CHARTER HOLDERS, PUBLIC CHARTER DISTRICTS, AND MANAGEMENT COMPANIES	Same as House version.	Same as House version.
Sec. 11A.151. Responsibility for Public Charter District.	Sec. 11A.151. Same as House version.	Sec. 11A.151. Same as House version.
Sec. 11A.152. Composition of Governing Body of Charter Holder.	Sec. 11A.152. Same as House version.	Sec. 11A.152. Same as House version.
Sec. 11A.153. Restrictions on Serving as Member of Governing Body of Charter Holder or Public Charter District or as Officer or Employee.	Sec. 11A.153. Same as House version, except also corrects statutory citation to the Code of Criminal Procedure.	Sec. 11A.153. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 11A.154. Liability of Members of Governing Body of Charter Holder.

Sec. 11A.154. Same as House version.

Sec. 11A.154. Same as House version.

Sec. 11A.155. Training for Members of Governing Body of Charter Holder.

Sec. 11A.155. Same as House version.

Sec. 11A.155. Same as House version.

Sec. 11A.156. Bylaws; Annual Report. Requires a charter holder to file with the commissioner a copy of its articles of incorporation and bylaws, or comparable documents, and certain information relating to each officer and member of the governing body of the charter holder.

Sec. 11A.156. Same as House version except requires filing the documents and information with the SBOE rather than the commissioner.

Sec. 11A.156. Same as House version.

Sec. 11A.157. Quarterly Financial Reports Required.

Sec. 11A.157. Same as House version.

Sec. 11A.157. Same as House version.

Sec. 11A.158. PEIMS Information. The governing body of a public charter district shall comply with Section 7.007.

Sec. 11A.158. Same as House version, except cites Section 42.006.

Sec. 11A.158. Same as House version.

Sec. 11A.159. Liability of Management Company.

Sec. 11A.159. Same as House version.

Sec. 11A.159. Same as House version.

Sec. 11A.160. Loans From Management Company Prohibited.

Sec. 11A.160. Same as House version.

Sec. 11A.160. Same as House version.

Sec. 11A.161. Contract for Management Services.

Sec. 11A.161. Same as House version.

Sec. 11A.161. Same as House version.

Sec. 11A.162. Certain Management Services Contracts Prohibited.

Sec. 11A.162. Same as House version.

Sec. 11A.162. Same as House version.

SUBCHAPTER E. FUNDING AND FINANCIAL OPERATIONS

Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

Sec. 11A.201. State Funding. (a) Among other provisions, in Subsection (b), entitles a public charter district, to a certain the extent, to funds that are available to school districts from the agency or the commissioner, *including grants and other discretionary funding and any teacher incentive payments under Section 39.113*, unless the statute authorizing the funding explicitly provides that a public charter district is not entitled to the funding.

Sec. 11A.2011. Additional State Aid for Certain Staff Salaries. (a) This section applies only to a charter holder that on January 1, 2005: (1) operated an open-enrollment charter school under former Subchapter D, Chapter 12; and (2) participated in the program under Chapter 1579, Insurance Code.  
(b) In addition to any amounts to which a charter holder is entitled under this chapter, a charter holder is entitled to state aid in an amount, as determined by the commissioner, equal to *the product of \$1,000 multiplied by the number of classroom teachers, full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, who are employed by the charter holder at a public charter district.*

SENATE VERSION

Sec. 11A.201. Substantially the same as House version, except cites Chapter 42 sections as they are renumbered and amended in SECTION 1A.01, and in (b) provides that a public charter district is entitled to funds that are available to school districts from the agency or the commissioner *in the form of grants or other discretionary funding unless the statute authorizing the funding explicitly provides that a public charter district is not entitled to the funding.*

Sec. 11A.2011. Same as House version, except in (b) entitles a charter holder to state aid in an amount, as determined by the commissioner, equal to the *sum of: (1) the product of \$1,000 multiplied by the number of the following employees employed by the charter holder at a public charter district: (A) classroom teachers, full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21; and (B) full-time school nurses appropriately licensed under Chapter 301, Occupations Code; (2) the product of \$500 multiplied by the number of full-time public charter district employees, other than administrators or employees described by Subdivision (1); and (3) the product of \$250 multiplied by the number of part-time public charter district employees.*

CONFERENCE

Sec. 11A.201. Same as House version.

Sec. 11A.2011. Similar to House version (a) This section applies to a charter holder that on January 1, 2005, operated an open-enrollment charter school under former Subchapter D, Chapter 12, *regardless of whether* the charter holder: (1) participated in the program under Chapter 1579, Insurance Code; or (2) did not participate in the program under Chapter 1579, Insurance Code.  
(b) A charter holder described by Subsection (a)(1) is entitled to state aid in an amount, as determined by the commissioner, equal to *the difference, if any, between: (1) an amount equal to the product of \$2,500 multiplied by the number of classroom teachers, full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, who are employed by the charter holder at a public charter district; and (2) the amount of additional money per student to which the charter holder is entitled as a result of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005.*  
(c) A charter holder described by Subsection (a)(2) is entitled to state aid in an amount, as determined by the commissioner, equal to the difference, if any, between: (1)

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Sec. 11A.202. Instructional Facilities Allotments. Among other provisions, includes Subsection (b-1) and (b-2) as follows:

(b-1) Notwithstanding Subsection (b), a charter holder is eligible for instructional facilities allotments for the 2006-2007 school year in accordance with this section if any campus of a public charter district for which the charter holder has been granted a license has been rated exemplary or recognized under Subchapter D, Chapter 39, for at least two of the 2003-2004, 2004-2005, and 2005-2006 school years.

(b-2) Subsection (b-1) and this subsection expire September 1, 2007.

Sec. 11A.202. Same as House version, except omits Subsections (b-1) and (b-2).

an amount equal to the product of \$1,500 multiplied by the number of classroom teachers, full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, who are employed by the charter holder at a public charter district; and (2) the amount of additional money per student to which the charter holder is entitled as a result of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005.

(d) A charter holder is not entitled to funds under Subsection (b) or (c) if the amount of additional funds to which the charter holder is entitled as a result of H.B. No. 2, Acts of the 79th Legislature, 1st Called Session, 2005, is sufficient to pay the amounts described by Subsection (b) or (c), as determined by the commissioner.

Sec. 11A.202. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
Sec. 11A.203. Status And Use of Funds.	Sec. 11A.203. Same as House version.	Sec. 11A.203. Same as House version.
Sec. 11A.204. Depository Contract; Bond.	Sec. 11A.204. Same as House version.	Sec. 11A.204. Same as House version.
Sec. 11A.205. Effect of Accepting State Funding.	Sec. 11A.205. Same as House version.	Sec. 11A.205. Same as House version.
Sec. 11A.206. Property Purchased or Leased With State Funds.	Sec. 11A.206. Same as House version.	Sec. 11A.206. Same as House version.
Sec. 11A.207. Use of Municipal Funds for Public Charter District I, and or Facilities.	Sec. 11A.207. Same as House version.	Sec. 11A.207. Same as House version.
Sec. 11A.208. Funding for <i>Instructional Materials And Technology</i> . A public charter district is entitled to funding for <i>instructional materials</i> under Chapter 31 and <i>technology</i> under <i>Subchapter A, Chapter 32</i> , and is subject to <i>those provisions</i> as if the public charter district were a school district.	Sec. 11A.208. <i>Textbook</i> Funding. A public charter district is entitled to funding for <i>textbooks</i> under Chapter 31 and is subject to <i>that chapter</i> as if the public charter district were a school district.	Sec. 11A.208. Same as House version.
Sec. 11A.209. Annual Budget.	Sec. 11A.209. Same as House version.	Sec. 11A.209. Same as House version.
Sec. 11A.210. Annual Audit.	Sec. 11A.210. Same as House version.	Sec. 11A.210. Same as House version.
SUBCHAPTER F. OPERATION OF PUBLIC CHARTER DISTRICT	SUBCHAPTER F. OPERATION OF PUBLIC <i>SCHOOL</i> CHARTER DISTRICT	Same as House version.
Sec. 11A.251. Admission Policy. Prohibits a public charter district from discriminating in admission policy on the basis of sex, national origin, ethnicity, religion, disability, or academic, artistic, or athletic ability or the	Sec. 11A.251. Same as House version, except also allows a public charter district admission policy to provide for the exclusion of a student who has a documented history of a criminal offense, a juvenile court adjudication, or discipline	Sec. 11A.251. Same as Senate version, except omits artistic ability in the categories of circumstance or ability protected from discrimination..



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

district the child would otherwise attend in accordance with this code.

Sec. 11A.252. Admission of Students. Among other provisions, in Subsection (b), allows a public charter district to fill applications for admission under Subsection (a)(2)(B) only if it published a notice of the opportunity to apply for admission to the district. Requires the public notice to: (1) state the application deadline; (2) be published in a newspaper of general circulation in the community in which the district campus is located not later than the seventh day before the application deadline; and (3) be made available on the public charter district's Internet website, if available.

Sec. 11A.253. Student Enrollment.

Sec. 11A.254. Tuition and Fees Restricted.

Sec. 11A.255. Transportation.

Sec. 11A.256. Removal of Students to Disciplinary Alternative Education Program; Expulsion of Students.

SUBCHAPTER G. PUBLIC CHARTER DISTRICT EMPLOYEES

Sec. 11A.301. Minimum Teacher Qualifications. Among other provisions, in Subsection (a), requires a person employed as a teacher by a public charter district to hold a

problems under Subchapter A, Chapter 37.

Sec. 11A.252. Same as House version, except in (b) omits the requirement that the notice be made available on the public charter district's Internet website, if available.

Sec. 11A.253. Same as House version.

Sec. 11A.254. Same as House version.

Sec. 11A.255. Same as House version.

Sec. 11A.256. Same as House version.

Same as House version.

Sec. 11A.301. Same as House version, except in (a) requires a person employed as a teacher by a public charter district to hold a *high school diploma*.

Sec. 11A.252. Same as House version.

Sec. 11A.253. Same as House version.

Sec. 11A.254. Same as House version.

Sec. 11A.255. Same as House version.

Sec. 11A.256. Same as House version.

Same as House version.

Sec. 11A.301. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
<i>baccalaureate degree.</i>		
Sec. 11A.302. Notice of Professional Employee Qualifications.	Sec. 11A.302. Same as House version.	Sec. 11A.302. Same as House version.
Sec. 11A.303. Collection of Fingerprints Required.	Sec. 11A.303. Same as House version.	Sec. 11A.303. Same as House version.
Sec. 11A.304. Criminal History and Disciplinary History of Certain Applicants.	Sec. 11A.304. Same as House version.	Sec. 11A.304. Same as House version.
Sec. 11A.305. Membership in Teacher Retirement System of Texas.	Sec. 11A.305. Same as House version.	Sec. 11A.305. Same as House version.
Sec. 11A.306. Wage Increase for Certain Professional Staff. . (a) This section applies <i>only</i> to a charter holder that on January 1, 2005: (1) operated an open-enrollment charter school under former Subchapter D, Chapter 12; and (2) participated in the program under Chapter 1579, Insurance Code. (b) Using state funds received by the charter holder for that purpose under Section 11A.2011, a charter holder each school year shall pay each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, Chapter 21, and full-time school nurse appropriately licensed under Chapter 301, Occupations Code, employed by the charter holder an amount at least equal to \$1,000. (c) A payment under this section is in addition to wages the charter holder would otherwise pay the employee during the school year..	Sec. 11A.306. Same as House version, except in (b) requires the charter holder each school year to pay <i>the following employees employed by the charter holder at a public charter district an amount at least equal to: (1) \$1,000 for: (A) classroom teachers, full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21; and (B) full-time school nurses appropriately licensed under Chapter 301, Occupations Code; (2) \$500 for full-time public charter district employees, other than administrators or employees described by Subdivision (1); and (3) \$250 for part-time public charter district employees.</i>	Sec. 11A.306. (a) This section applies to a charter holder that on January 1, 2005, operated an open-enrollment charter school under former Subchapter D, Chapter 12, <i>regardless of whether</i> the charter holder: (1) participated in the program under Chapter 1579, Insurance Code; or (2) did not participate in the program under Chapter 1579, Insurance Code. (b) Using state funds received by the charter holder for that purpose under Section 11A.2011, a charter holder <i>described by Subsection (a)(1)</i> each school year shall provide classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, employed by the charter holder compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in an average

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

compensation increase for the employees of \$2,500.  
 (c) Using state funds received by the charter holder for that purpose under Section 11A.2011, a charter holder *described by Subsection (a)(2)* each school year shall provide classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, employed by the charter holder compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in an average compensation increase for the employees of \$1,500.  
 (d) A payment under this section is in addition to wages the charter holder would otherwise pay the employee during the school year.

SUBCHAPTER H. POWERS AND DUTIES OF COMMISSIONER

Same as House version.

Same as House version.

Sec. 11A.351. Audit.

Sec. 11A.351. Same as House version.

Sec. 11A.351. Same as House version.

Sec. 11A.352. Subpoena.

Sec. 11A.352. Same as House version.

Sec. 11A.352. Same as House version.

Sec. 11A.353. Sanctions.

Sec. 11A.353. Same as House version.

Sec. 11A.353. Same as House version.

Sec. 11A.3531. Supervision of Administration of Certain Assessment Instruments.

Sec. 11A.3531. Substantially the same as House version.

Sec. 11A.3531. Same as House version.

Sec. 11A.354. Consultation With Charter Holders.

Sec. 11A.354. Same as House version.

Sec. 11A.354. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
Sec. 11A.355. Effect on Commissioner's Authority.	Sec. 11A.355. Same as House version.	Sec. 11A.355. Same as House version.
Sec. 11A.356. Rules.	Sec. 11A.356. Same as House version.	Sec. 11A.356. Same as House version.
SUBCHAPTER 1. BLUE RIBBON CHARTER CAMPUS PILOT PROGRAM	Same as House version.	Same as House version.
Sec. 11A.401. Authorization. Among other provisions, allows the commissioner to authorize not more than three charter holders to grant a charter to an eligible entity to operate a blue ribbon charter campus if: (1) the charter holder proposes to grant the blue ribbon charter to replicate a distinctive education program; (2) the charter holder has demonstrated the ability to replicate the education program; (3) the education program has been implemented by the charter holder for at least seven school years; and (4) the charter school in which the charter holder has implemented the program has been rated recognized or exemplary under Section 39.072 for at least five school years.	Sec. 11A.401. Same as House version except the condition in Subdivision (4) is that the charter school in which the charter holder has implemented the program has been rated recognized or exemplary under Section 39.072 for at least five school years, <i>including the two school years preceding the proposed issuance of the blue ribbon charter.</i>	Sec. 11A.401. Same as House version.
Sec. 11A.402. Applicability of Certain Laws.	Sec. 11A.402. Same as House version.	Sec. 11A.402. Same as House version.
Sec. 11A.403. Relationship Between Charter Holder and Blue Ribbon Charter Campus.	Sec. 11A.403. Same as House version.	Sec. 11A.403. Same as House version.
Sec. 11A.404. Application for Authorization.	Sec. 11A.404. Same as House version.	Sec. 11A.404. Same as House version.
Sec. 11A.405. Revocation of Authorization.	Sec. 11A.405. Same as House version.	Sec. 11A.405. Same as House version.
Sec. 11A.406. Content.	Sec. 11A.406. Same as House version.	Sec. 11A.406. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
Sec. 11A.407. Form.	Sec. 11A.407. Same as House version.	Sec. 11A.407. Same as House version.
Sec. 11A.408. Revision.	Sec. 11A.408. Same as House version.	Sec. 11A.408. Same as House version.
SUBCHAPTER J. RECEIVERSHIP FOR CERTAIN OPEN-ENROLLMENT CHARTER SCHOOLS	Same as House version.	Same as House version.
Sec. 11A.451. Definitions.	Sec. 11A.451. Same as House version.	Sec. 11A.451. Same as House version.
Sec. 11A.452. Applicability.	Sec. 11A.452. Same as House version.	Sec. 11A.452. Same as House version.
Sec. 11A.453. Appointment of Receiver; Bond Required.	Sec. 11A.453. Same as House version.	Sec. 11A.453. Same as House version.
Sec. 11A.454. Powers and Duties of Receiver.	Sec. 11A.454. Same as House version.	Sec. 11A.454. Same as House version.
Sec. 11A.455. Disposition of Assets.	Sec. 11A.455. Same as House version.	Sec. 11A.455. Same as House version.
Sec. 11A.456. Disposition of Records.	Sec. 11A.456. Same as House version.	Sec. 11A.456. Same as House version.
Sec. 11A.457. Liability.	Sec. 11A.457. Same as House version.	Sec. 11A.457. Same as House version.
Sec. 11A.458. Costs of Receivership.	Sec. 11A.458. Same as House version.	Sec. 11A.458. Same as House version.
Sec. 11A.459. Exemption From Competitive Bidding.	Sec. 11A.459. Same as House version.	Sec. 11A.459. Same as House version.
SECTION 4.03. Adds Section 12.1058, Education Code, Applicability of Public Charter District Provisions.	SECTION 4.03. Same as House version.	SECTION 4.03. Same as House version except also adds Section 12.135, Wage Increase for Certain Professional Staff to read as follows: (a) This section applies to a charter holder that on January 1, 2005, operated an open-enrollment charter school,

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

regardless of whether the charter holder: (1) participated in the program under Chapter 1579, Insurance Code; or (2) did not participate in the program under Chapter 1579, Insurance Code.

(b) Using state funds received by the charter holder for that purpose under Subsection (d), a charter holder described by Subsection (a)(1) each school year shall provide classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, employed by the charter holder compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in an average compensation increase for the employees of \$2,000.

(c) Using state funds received by the charter holder for that purpose under Subsection (e), a charter holder described by Subsection (a)(2) each school year shall provide classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, employed by the charter holder compensation in the form of annual salaries, incentives, or other compensation determined appropriate by the charter holder that results in an average compensation increase for the employees of \$1,000.

(d) In addition to any amounts to which a charter holder is entitled under this chapter, a charter holder described by Subsection (a)(1) is entitled to state aid in an amount, as determined by the commissioner, equal to the product of \$2,000 multiplied by the number of classroom teachers,

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, who are employed by the charter holder at a public charter district.

(e) In addition to any amounts to which a charter holder is entitled under this chapter, a charter holder described by Subsection (a)(2) is entitled to state aid in an amount, as determined by the commissioner, equal to the product of \$1,000 multiplied by the number of classroom teachers, full-time librarians, and full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses appropriately licensed under Chapter 301, Occupations Code, who are employed by the charter holder at a public charter district.

SECTION 4.04. Amends Sections 12.152 and 12.156, Education Code, relating to the State Board of Education's authority to grant charters and to the applicability of certain provisions.

SECTION 4.04. Same as House version.

SECTION 4.04. Same as House version.

SECTION 4.05. Amends Section 5.001, Education Code, Definitions.

SECTION 4.05. Same as House version.

SECTION 4.05. Same as House version.

SECTION 4.06. Amends Section 7.003, Education Code, Limitation on Authority.

SECTION 4.06. Same as House version.

SECTION 4.06. Same as House version.

No equivalent provision.

SECTION 4.07. Amends Section 7.027(b), Education Code, relating to limitation on compliance monitoring.

SECTION 4.065. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 4.07. Amends Section 7.055(b)(17), Education Code, relating to commissioner of education powers and duties.	SECTION 4.08. Same as House version.	SECTION 4.07. Same as House version.
SECTION 4.08. Amends Section 7.102(c)(9), Education Code, relating to SBOE powers and duties.	SECTION 4.09. Same as House version.	SECTION 4.08. Same as House version.
SECTION 4.09. Amends Section 12.002, Education Code, Classes of Charter.	SECTION 4.10. Same as House version.	SECTION 4.09. Same as House version.
SECTION 4.10. Adds Section 21.0032, Education Code, Clearance Required for Certain Public Charter District Personnel; Appeal. Among other provisions, designates the agency as the entity responsible for reviewing, investigating, and clearing for employment certain public charter district personnel.	SECTION 4.11. Same as House version, except designates the State Board for Educator Certification instead of the agency.	SECTION 4.10. Same as House version, except adds the section effective August 1, 2006.
SECTION 4.11. Amends Sections 21.058(b) and (c), Education Code, relating to revocation of teaching certification and termination of employment based on conviction of certain offenses.	SECTION 4.12. Same as House version.	SECTION 4.11. Same as House version.
SECTION 4.12. Amends Sections 22.083(b) and (c), Education Code, relating to access to criminal history records by local and regional education authorities.	SECTION 4.13. (part) Same as House version.	SECTION 4.12. Same as House version.
SECTION 4.13. Amends Section 22.084, Education Code, Access to Criminal History Records of School Bus Drivers, Bus Monitors, and Bus Aids.	SECTION 4.14. Same as House version.	SECTION 4.13. Same as House version, except adds the section effective August 1, 2006.



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 4.14. Amends Section 25.087(b) and adds (c), Education Code, relating to excused absences.

SECTION 4.15. Amends Section 25.088, Education Code, School Attendance Officer.

SECTION 4.16. Amends Section 25.089(a), Education Code, relating to compensation of attendance officer and dual service.

SECTION 4.17. Amends Section 25.090(b), Education Code, relating to attendance officer not selected.

SECTION 4.18. Amends Sections 25.093(d) and (e), Education Code, relating to a parent contributing to non-attendance.

SECTION 4.19. Amends Sections 25.095(a) and (b), Education Code, relating to warning notices

SECTION 4.20. Amends Section 25.0951(a), Education Code, relating to school district complaint or referral for failure to attend school, *as amended by H.B. No. 1575, Acts of the 79th Legislature, Regular Session, 2005.*

SECTION 4.21. Amends Section 25.0951(b), Education Code, relating to school district complaint or referral for failure to attend school

No equivalent provision.

SENATE VERSION

SECTION 4.161. Same as House version.

SECTION 4.17. Same as House version.

SECTION 4.18. Same as House version.

SECTION 4.19. Same as House version.

SECTION 4.20. Same as House version.

SECTION 4.21. Same as House version.

SECTION 4.22. Amends Section 25.0951(a) and (b) as follows: (a) Same as House version, except does not incorporate the HB 1575 amendment.

(b) Same as House version.

SECTION 4.23. Amends Section 26.006(c), Education

CONFERENCE

SECTION 4.14. Same as House version.

SECTION 4.15. Same as House version.

SECTION 4.16. Same as House version.

SECTION 4.17. Same as House version.

SECTION 4.18. Same as House version.

SECTION 4.19. Same as House version.

SECTION 4.20. Same as House version.

SECTION 4.21. Same as House version.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
	Code, relating to access to teaching materials, to make conforming changes.	
SECTION 4.22. Amends Sections 26.0085(a), (c), (d), and (e), Education Code, relating to public information requests.	SECTION 4.24. Same as House version.	SECTION 4.22. Same as House version.
SECTION 4.23. Amends Section 28.0211(j), Education Code, relating to a requirement for satisfactory performance on a test and accelerated instruction.	SECTION 4.25. Same as House version.	SECTION 4.23. Same as House version.
SECTION 4.24. Amends Section 29.010(f), Education Code, relating to monitoring district compliance with state and federal law.	SECTION 4.26. Same as House version.	SECTION 4.24. Same as House version.
SECTION 4.25. Amends Sections 29.012(a) and (c), Education Code, relating to residential facilities.	SECTION 4.27. Same as House version.	SECTION 4.25. Same as House version.
SECTION 4.26. Amends Sections 29.062(c)-(e), Education Code, relating to compliance with bilingual education and special language education requirements.	SECTION 4.28. Same as House version.	SECTION 4.26. Same as House version.
SECTION 4.27. Amends Sections 29.087(a)-(c), (e), (k), and (l), Education Code, relating to high school equivalency programs.	SECTION 4.29. Same as House version.	SECTION 4.27. Same as House version.
SECTION 4.28. Amends Sections 29.155(a)-(d), (i), and (j), Education Code, relating to kindergarten and prekindergarten grants.	SECTION 4.30. Same as House version.	SECTION 4.28. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 4.29. Amends Section 29.905(b), Education Code, relating to community education on hate crime law.	SECTION 4.31. Same as House version.	SECTION 4.29. Same as House version.
SECTION 2E.47 repeals Section 31.021, Education Code..	SECTION 4.32. Amends Section 31.021(b), Education Code, relating to the state textbook fund, to make conforming changes.	Same as House version.
See SECTION 2E.21 above.	SECTION 4.33. Amends Section 31.027(a), Education Code, relating to a publisher's provision of information and sample copies to districts, to make conforming changes.	Same as House version.
See SECTION 2E.21 above.	SECTION 4.34. Amends Section 31.030, Education Code, Used Textbooks, to make conforming changes.	Same as House version.
SECTION 2E.47 repeals Section 31.101, Education Code.	SECTION 4.35. Amends Section 31.101, Education Code, Selection and Purchase of Textbooks by School Districts, to make conforming changes.	Same as House version.
See SECTION 2E.25 above.	SECTION 4.36. Amends Section 31.102(c), Education Code, relating to title and custody of textbooks, to make conforming changes.	Same as House version.
SECTION 2E.47 repeals Section 31.103, Education Code..	SECTION 4.37. Amends Section 31.103, Education Code, Textbook Requisitions, to make conforming changes.	Same as House version.
See SECTION 2E.26 above.	SECTION 4.38. Amends Sections 31.104(a), (b), and (d), Education Code, relating to distribution and handling of textbooks, to make conforming changes.	Same as House version.
See SECTION 2E.26 above.	SECTION 4.39. Amends Section 31.105, Education Code,	Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
	Sale of Textbooks, to make conforming changes.	
See SECTION 2E.26 above.	SECTION 4.40. Amends Section 31.106, Education Code, Use of Local Funds, to make conforming changes.	Same as House version.
See SECTION 2E.27 above..	SECTION 4.41. Amends Section 31.151(a), Education Code, relating to publishers' and manufacturers' duties, to make conforming changes.	Same as House version.
See SECTION 2E.33 above.	SECTION 4.42. Amends Section 31.201(c), Education Code, relating to the disposition of textbooks, to make conforming changes.	Same as House version.
SECTION 4.30. Adds Section 32.1011, Education Code, Applicability to Public Charter Districts.	SECTION 4.43. Same as House version.	SECTION 4.30. Same as House version.
SECTION 4.31. Amends Section 32.102, Education Code, Authority.	SECTION 4.44. Same as House version.	SECTION 4.31. Same as House version.
SECTION 4.32. Amends Section 32.103, Education Code, Eligibility; Preference.	SECTION 4.45. Same as House version.	SECTION 4.32. Same as House version.
SECTION 4.33. Amends Section 32.104, Education Code, Requirements for Transfer.	SECTION 4.46. Same as House version.	SECTION 4.33. Same as House version.
SECTION 4.34. Amends Section 32.105, Education Code, Expenditure of Public Funds.	SECTION 4.47. Same as House version.	SECTION 4.34. Same as House version.
SECTION 4.35. Amends Section 32.106, Education Code, Return of Equipment.	SECTION 4.48. Same as House version.	SECTION 4.35. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 4.36. Amends Section 33.007, Education Code, Counseling Regarding Higher Education.	SECTION 4.49. Same as House version.	SECTION 4.36. Same as House version.
SECTION 4.37. Amends Section 33.901, Education Code, Breakfast Programs.	SECTION 4.50. Same as House version.	SECTION 4.37. Same as House version.
SECTION 4.38. Amends Section 37.007(e), Education Code, relating to expulsion for criminal offenses.	SECTION 4.51. Same as House version.	SECTION 4.38. Same as House version.
SECTION 4.39. Amends Section 37.008(j), Education Code, relating to disciplinary alternative education programs, as amended by HB 603, Acts of the 79th Legislature, Regular Session, 2005.	SECTION 4.52. Same as House version, except does not incorporate the HB 603 amendment.	SECTION 4.39. Same as House version.
SECTION 4.40. Amends Section 37.022(a)(2), Education Code, as renumbered by Section 23.001(16), HB 2018, Acts of the 79th Legislature, Regular Session, 2005.	SECTION 4.53. Same as House version, except amends Section 37.021(a)(2), Education Code, as it existed before its renumbering by HB 2018.	SECTION 4.40. Same as House version.
No equivalent provision.	SECTION 4.54. Amends Section 39.131(a), Education Code, Sanctions for Districts, to make conforming changes.	Same as House version.
No equivalent provision.	SECTION 4.55. Amends Section 39.182(a), Education Code, Comprehensive Annual Report, to make conforming changes.	Same as House version.
No equivalent provision.	SECTION 4.56. Amends Section 42.005(f), Education Code, relating to calculation of average daily attendance, to make conforming changes.	Same as House version.
See SECTION 2D.48 above..	SECTION 4.57. Amends Section 42.152(c), Education	Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Code, relating to the compensatory education allotment, to make conforming changes.

SECTION 4.41. Amends Section 44.008(a), Education Code, relating to qualifications of the auditor in an annual audit of a school district.

SECTION 4.58. Same as House version.

SECTION 4.41. Same as House version.

SECTION 4.42. Amends Section 46.012, Education Code, Applicability to Public Charter Districts.

SECTION 4.59. Same as House version.

SECTION 4.42. Same as House version.

SECTION 4.43. Amends Section 46.036, Education Code, Applicability to Public Charter Districts

SECTION 4.60. Same as House version.

SECTION 4.43. Same as House version.

SECTION 4.44. Amends Section 53.02(13), Education Code, relating to definitions under the Higher Education Authority Act.

SECTION 4.61. Same as House version.

SECTION 4.44. Same as House version.

SECTION 4.45. Amends the heading to Section 53.351, Education Code, to read: Bonds for Authorized Charter School Facilities.

SECTION 4.62. Same as House version.

SECTION 4.45. Same as House version.

SECTION 4.46. Amends Sections 53.351(a), (c), (d), (f), and (g), Education Code, relating to authorized bonds.

SECTION 4.63. Same as House version.

SECTION 4.46. Same as House version.

SECTION 4.47. Amends Section 411.097(c), Government Code, relating to access to criminal history record information by various education entities.

SECTION 4.64. Same as House version.

SECTION 4.47. Same as House version.

SECTION 4.48. Amends Sections 2175.128(a) and (b), Government Code, relating to disposition of surplus or

SECTION 4.65. Same as House version.

SECTION 4.48. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

salvage data processing equipment.

SECTION 4.49. Amends Section 2306.630(a), Government Code, relating to Texas Youthworks Program.

SECTION 4.66. Same as House version.

SECTION 4.49. Same as House version.

SECTION 4.50. Amends Section 1575.002(6), Insurance Code, relating to general definitions under the Texas Public School Employees Group Benefits Program.

SECTION 4.67. Same as House version.

SECTION 4.50. Same as House version.

SECTION 4.51. Amends Section 1579.002(3), Insurance Code, relating to general definitions under the Texas School Employees Uniform Group Health Coverage Act.

SECTION 4.68. Same as House version.

SECTION 4.51. Same as House version.

SECTION 4.52. Amends Section 140.005, Local Government Code, Annual Financial Statement of School, Road, or Other District.

SECTION 4.69. Same as House version.

SECTION 4.52. Same as House version.

SECTION 4.53. Amends Section 140.006(c), Local Government Code, Publication of Annual Financial Statement by School, Road, or Other District.

SECTION 4.70. Same as House version.

SECTION 4.53. Same as House version.

SECTION 4.54. Amends Section 375.303(2), Local Government Code, relating to the definition of "eligible project" under a defense adjustment management authority.

SECTION 4.71. Same as House version.

SECTION 4.54. Same as House version.

SECTION 4.55. Amends Sections 375.308(b) and (c), Local Government Code, relating to powers of an authority and municipality.

SECTION 4.72. Same as House version.

SECTION 4.55. Same as House version.

SECTION 4.56. Amends Section 541.201(15),

SECTION 4.73. Same as House version.

SECTION 4.56. Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Transportation Code, Vehicles.

SECTION 4.57. Amends Section 57.042(9), Utilities Code, relating to a definition relating to the Telecommunication Infrastructure Fund.

SECTION 4.58. Amends Section 4(2), Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), relating to the definition of "education institution."

SECTION 4.59. The following laws are repealed:  
(1) Section 12.106, Education Code, State Funding; and  
(2) Section 40, Chapter 1504, Acts of the 77th Legislature, Regular Session, 2001, relating to funding of charter schools in certain years.

SECTION 4.60. Provides that notwithstanding the repeal of Sections 12.107 and 12.128, Education Code, by this Act, those sections continue to apply to state funds and property received or purchased by an open-enrollment charter school before September 1, 2006.

SECTION 4.61. Provides that the changes in law made by Sections 4.04-4.78 of this article apply beginning August 1, 2006, except that Sections 4.11, 4.12, 4.59, and 4.77 apply beginning September 1, 2005.

No equivalent provision.

SECTION 4.74. Same as House version.

SECTION 4.75. Same as House version.

SECTION 4.76. Same as House version.

SECTION 4.77. Same as House version.

SECTION 4.78. Same as House version.

No equivalent provision.

SECTION 4.57. Same as House version.

SECTION 4.58. Same as House version.

SECTION 4.59. Same as House version.

SECTION 4.60. Same as House version.

SECTION 4.61. Same as House version, except that those sections listed apply beginning *November 1, 2005*.

SECTION 4.62. Provides that this article takes effect *November 1, 2005*



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

ARTICLE 6. PROPERTY TAX COLLECTIONS

Same as House version.

No equivalent provision.

SECTION 6.01. Amends Section 31.05(a), Tax Code, relating to certain tax discounts, to read as follows:

Same as House version.

(a) The governing body of a taxing unit may adopt the discounts provided by Subsection (b) or Subsection (c), or both, in the manner required by law for official action by the body. The discounts, if adopted, apply only to that taxing unit's taxes. If a taxing unit adopts both discounts under Subsections (b) and (c), the discounts adopted under Subsection (b) apply unless the tax bills for the unit are mailed after September 30, in which case only the discounts under Subsection (c) apply. A taxing unit that collects taxes for another taxing unit that adopts the discounts may prepare and mail separate tax bills on behalf of the adopting taxing unit and may charge an additional fee for preparing and mailing the separate tax bills and for collecting the taxes imposed by the adopting taxing unit. If under an intergovernmental contract a county assessor-collector collects taxes for a taxing unit that adopts the discounts, the county assessor-collector may terminate the contract if the county has adopted a discount policy that is different from the discount policy adopted by the adopting taxing unit.

No equivalent provision.

SECTION 6.02. (a) Provides that Section 31.05, Tax Code, as amended by this article, applies to the adoption of a discount by a taxing unit beginning with the 2005 tax year, except as provided by Subsection (b) of this section.  
(b) Provides that, if a taxing unit's tax bills for the 2005 tax

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

year are mailed before the effective date of this article, Section 31.05, Tax Code, as amended by this article, applies to the adoption of a discount by the taxing unit beginning with the 2006 tax year, and the law in effect when the tax bills were mailed applies to the 2005 tax year with respect to that taxing unit.

No equivalent provision.

ARTICLE 7. ABOLISHMENT OF STATE BOARD FOR EDUCATOR CERTIFICATION; TRANSFER OF POWERS AND DUTIES

Senate

No equivalent provision.

SECTION 7.01. Amends Section 21.0031(a), Education Code, relating to failure to obtain certification and voiding of contracts, to void an employee's probationary, continuing, or term contract if the employee does not hold a certificate or permit issued under *Subchapter B* rather than a certificate issued by *the State Board for Educator Certification*.

SECTION 7.01. Same as Senate version.

No equivalent provision.

SECTION 7.02. Amends Sections 21.004(a)-(e), Education Code, relating to a teacher recruitment program, to delete references to the State Board for Educator Certification (SBEC) and its executive director.

SECTION 7.02. Same as Senate version.

No equivalent provision.

SECTION 7.03. Amends Sections 21.006(a)-(c) and (e)-(g) and adds (h), Education Code, relating to a requirement to report misconduct, to add the definition of "board," specifying that it means the Educators' Professional Practices Board. Requires all parties subject to reporting requirements to notify the commissioner, substituting

SECTION 7.03. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

references to the commissioner for references to the SBEC. Requires the commissioner to forward a report to the Educators' Professional Practices Board. Requires that board, acting on a recommendation of the commissioner, to determine whether to impose any sanctions.

No equivalent provision.

SECTION 7.035. Adds Section 21.007, Education Code, Recommendation to Sanction, to require the commissioner to determine whether to recommend a sanction against an educator to the board under this chapter. Requires the board to make a final determination regarding the imposition of a sanction.

SECTION 7.035. Same as Senate version.

No equivalent provision.

SECTION 7.04. Amends Sections 21.031 and 21.032, Education Code, as follows:  
Sec. 21.031. Purpose. (a) Establishes the Educators' Professional Practices Board in the agency to regulate and oversee the standards of conduct of public school educators.  
(b) Requires the commissioner to adopt rules governing the certification of educators and continuing education for educators and, in adopting such rules, to ensure that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve the performance of the diverse student population of this state.  
Sec. 21.032. Definition. Defines "board" to mean the Educators' Professional Practices Board.

SECTION 7.04. Same as Senate version.

No equivalent provision.

SECTION 7.05. Amends the heading to Section 21.033,

SECTION 7.05. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Education Code, as follows: Educators' Professional Practices [State] Board [~~for Educator Certification~~].

No equivalent provision.

SECTION 7.06. Amends Section 21.033(a) and adds (a-1), (d), (e), and (f), Education Code, as follows:

(a) Establishes the composition of the board, providing that it is composed of 11 members, appointed by the commissioner, according to the following criteria: (1) six members must be classroom teachers, appointed as provided by Subsection (a-1); (2) not more than two members of the board may be school administrators; and (3) a number of other members consistent with this subsection who the commissioner determines are qualified.

(a-1) Requires the commissioner, in appointing a board member under Subsection (a)(1), to *request a list of qualified candidates from each of the four statewide professional educator associations in this state with the largest membership of classroom teachers and to make appointments from the candidates listed. Not later than the 30th day after the date on which the association receives notice of the commissioner's request for nominations, the association shall submit a list of six candidates for membership on the board. If the commissioner does not receive nominations for at least 12 candidates the commissioner may appoint classroom teachers not nominated by an association.*

(d) Requires the commissioner to designate a member of the board as its presiding officer to serve in that capacity at the pleasure of the commissioner.

(e) Requires the agency to provide administrative services for the board as necessary.

SECTION 7.06. Same as Senate version, except in Subsection (a-1) requires the commissioner, in appointing a board member under Subsection (a)(1), to *(1) appoint teachers with at least five years' experience as public school classroom teachers; (2) give preference to teachers who have received state or national awards for teaching excellence; and (3) provide an opportunity for professional educator associations to submit nominations for the appointment.*

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 7.01. Amends Section 21.035, Education Code, *as amended by H.B. 1116, Acts of the 79th Legislature, Regular Session, 2005*, Application of Sunset Act, to make the State Board for Educator Certification subject to Chapter 325, Government Code (Texas Sunset Act) and to abolish the board and this subchapter on September 1, 2007, unless continued in existence as provided by that chapter.

SECTION 7.02. Adds Section 21.039, Education Code, Executive Director; Personnel, to require the board to employ an executive director, who shall: (1) perform

(f) Provides that a reference in law to the State Board for Educator Certification means the Educators' Professional Practices Board.

SECTION 7.07. Amends Section 21.034, Education Code, Terms; Vacancy, as follows: (a) Requires that board members hold office for staggered terms of six years with the terms of one-third, or as near to one-third as possible, of the members expiring on February 1 of each odd-numbered year.

(b) In the event of a vacancy during a term of a member, requires the commissioner to appoint a replacement who meets the qualifications of the vacated office to fill the unexpired portion of the term.

(c) Provides that a vacancy arises if a member no longer qualifies for the office to which the member was appointed, as determined by the commissioner.

SECTION 7.075. Amends Section 21.035(a), Education Code, relating to application of the Sunset Act, to sunset the Educators' Professional Practices Board and this subchapter on the date prescribed by Section 7.004 for abolishment of the agency. Deletes the subsection designation.

NOTE: SECTION 7.48 below repeals Section 21.039. See also NOTE in Column 1.

SECTION 7.07. Same as Senate version.

SECTION 7.075. Amends Section 21.03, Education Code, as that section was amended by H.B. 1116, Acts of the 79th Legislature, Regular Session, 2005. As amended here, same as Senate version.

Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

duties as assigned by the board or specified by law; (2) administer and enforce all laws and rules implemented by the board; (3) issue the certificates authorized under this subchapter; and (4) hire and dismiss the employees of the board.

NOTE: This Section 21.039 was repealed by HB 1116, Acts of the 79th Legislature, Regular Session, 2005.

No equivalent provision.

SECTION 7.08. Adds Section 21.0391, Education Code, Advisory Committee, to read as follows: (a) The commissioner shall appoint an advisory committee composed of holders of each class of educator certificate and stakeholders as required under Chapter 2008, Government Code.

(b) The advisory committee shall recommend educator certification standards and educator preparation program standards under Sections 21.044 and 21.045, and propose related rules to the commissioner through negotiated rulemaking under Chapter 2008, Government Code. For purposes of that chapter, the advisory committee is considered to be the negotiated rulemaking committee described by Section 2008.054.

(c) The commissioner may not finally adopt or amend a rule subject to this section unless the State Board of Education has failed to reject the rule or amendment by an affirmative vote of two-thirds of its members. A vote under this subsection may be conducted by mail ballot, provided that the State Board of Education has at least 30 days' written notice of the proposed final rule adoption.

(d) Members of the advisory committee serve at the will of

SECTION 7.08. Same as Senate version, except in Subsection (c) modified to change SBOE rejection of rule to require four-fifths vote rather than two-thirds.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.	the commissioner.	SECTION 7.09. Amends Sections 21.041(b) and adds (a-1) but does not amend (c) (a-1) Same as Senate version. (b) Same as Senate version, but also requires the commissioner's rules to provide for disciplinary hearings, including enforcement of and educator's code of ethics adopted by the board.
No equivalent provision.	SECTION 7.09. Amends Sections 21.041, 21.044, and 21.045, Education Code, as follows: Sec. 21.041. Rules; Fees. Among other provisions (a-1) requires the board to adopt rules that provide for the adoption and amendment of an educator's code of ethics and (b) requires the commissioner, rather than the board, to adopt rules that, among other provisions, provide for the issuance and renewal of educator certificates in a manner consistent with this subchapter and for the regulation of educators in a manner consistent with this subchapter. (c) Requires the commissioner, by rule, rather than the board, to set a fee for the issuance and maintenance of an educator certificate that is adequate to cover the cost of administration of this subchapter, including costs related to the operation of the board.	Note: Subsection (a) is included in the Senate version but is not amended, and is not included in the conference committee report.
No equivalent provision.	Sec. 21.044. Educator Preparation. Requires the commissioner, rather than the board, to adopt rules establishing the training requirements a person must accomplish to obtain a certificate, enter an internship, or enter an induction-year program. Also requires the commissioner, rather than the board, to specify the minimum academic qualifications required for a certificate.	SECTION 7.10. Amends Section 21.044. Same as Senate version.
No equivalent provision.	Sec. 21.045. Accountability System for Educator Preparation Programs. Makes conforming changes.	SECTION 7.11. Amends Section 21.045(b) - (d). Same as Senate version, except does not amend (a).
No equivalent provision.	SECTION 7.10. Amends Sections 21.046(c) and (d),	SECTION 7.12. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

Education Code, relating to qualifications for certification as superintendent or principal, to make conforming changes.

No equivalent provision.

No equivalent provision.

SECTION 7.125. Adds Section 21.0461, Education Code, Temporary Certificate for Superintendent or Principal. Allows the commissioner to issue a temporary certificate under this section for: (1) assistant principal; (2) principal; or (3) superintendent.

(b) Requires a candidate for certification under this section to: (1) hold a baccalaureate or advanced degree from an institution of higher education; (2) have significant management and leadership experience, as determined by the board of trustees of the school district that will employ the person under the temporary certificate; and (3) perform satisfactorily on the appropriate examination prescribed under Section 21.048.

(c) Allows a school district to require that a person who is employed by the district and who holds a certificate issued under this section complete a training program.

(d) Provides that a certificate issued to a person under this section is valid only in the school district in which the person is initially employed after receiving the certificate.

(e) Provides that a certificate issued under this section: (1) expires on the third anniversary of the date on which the certificate was issued; and (2) is not renewable.

(f) Requires the commissioner to issue a standard certificate to a person who holds a temporary certificate issued under this section if the school district employing the person under the temporary certificate: (1) has employed the person for at least three years in the capacity



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

for which the person seeks a standard certificate; and (2) has recommended the person to the commissioner and favorably reviewed, primarily using objective measures of student performance and improvement in the district, the person's performance.

(g) Requires a district employing a person who holds a temporary certificate issued under this section to provide the person with intensive support during the person's first year of employment with the district, including: (1) mentoring; and (2) intensive, high-quality professional development.

No equivalent provision.

SECTION 7.11. Amends Section 21.048(a), Education Code, relating to certification examinations, to make conforming changes.

SECTION 7.13. Same as Senate version.

No equivalent provision.

SECTION 7.12. Amends the following sections of the Education Code to make conforming changes:  
Sec. 21.0481. Master Reading Teacher Certification.  
Sec. 21.0482. Master Mathematics Teacher Certification.  
Sec. 21.0483. Master Technology Teacher Certification.  
Sec. 21.0484. Master Science Teacher Certification.  
Sec. 21.049. Alternative Certification.

SECTION 7.14. Same as Senate version.

No equivalent provision.

SECTION 7.13. Amends Sections 21.050(a) and (b), Education Code, relating to the academic degree and internship requirement for a teaching certificate, to make conforming changes, replacing references to the board with references to the commissioner.

SECTION 7.15. Amends Sections 21.050(a) but does not amend Subsection (b).  
(a) Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
No equivalent provision.	SECTION 7.14. Amends Section 21.051, Education Code, Options for Field Experience and Internships, to make conforming changes.	SECTION 7.16. Same as Senate version.
No equivalent provision.	SECTION 7.15. Amends Section 21.054(a), Education Code, relating to continuing education, to make conforming changes.	SECTION 7.17. Same as Senate version.
No equivalent provision.	SECTION 7.16. Amends Section 21.056, Education Code, Additional Certification, to make a conforming change.	SECTION 7.18. Same as Senate version.
No equivalent provision.	SECTION 7.17. Amends Section 21.057(d), Education Code, relating to parental notification of certain teacher assignments, to make a conforming change.	SECTION 7.19. Same as Senate version.
No equivalent provision.	SECTION 7.18. Amends Section 21.058(d), Education Code, relating to revocation of certificate and termination of employment for certain offenses, to make a conforming change.	SECTION 7.20. Same as Senate version.
No equivalent provision.	SECTION 7.19. Amends Section 21.105(c), Education Code, relating to resignations under a probationary contract, to allow the Educators' Professional Practices Board, on written complaint by the employing district and recommendation by the commissioner, to impose sanctions against a teacher employed under a probationary contract who resigns, fails without good cause to comply with certain procedures for resigning, and fails to perform the contract.	SECTION 7.21. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 7.20. Amends Section 21.160(c), Education Code, relating to resignations under a continuing contract, to allow the board, on written complaint by the employing district and recommendation by the commissioner, to impose sanctions against a teacher employed under a continuing contract who resigns, fails without good cause to comply with certain procedures for resigning, and fails to perform the contract.

SECTION 7.22. Same as Senate version.

No equivalent provision.

SECTION 7.21. Amends Section 21.210(c), Education Code, relating to resignations under a term contract, to allow the board, on written complaint by the employing district and recommendation by the commissioner, to impose sanctions against a teacher employed under a term contract who resigns, fails without good cause to comply with certain procedures for resigning, and fails to perform the contract.

SECTION 7.23. Same as Senate version.

No equivalent provision.

SECTION 7.22. Amends Section 21.503, Education Code, Eligibility, to make a conforming change.

SECTION 7.24. Same as Senate version.

No equivalent provision.

SECTION 7.23. Amends Section 21.504(b), Education Code, relating to information and applications for the Texas Troops to Teachers Program, to make a conforming change.

SECTION 7.25. Same as Senate version.

No equivalent provision.

SECTION 7.24. Amends Section 21.510(c), Education Code, relating to reimbursement under the Texas Troops to Teachers Program, to make a conforming change.

SECTION 7.26. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
No equivalent provision.	SECTION 7.25. Amends the following sections of the Education Code to make conforming changes: Sec. 21.551. Purposes. Sec. 21.552. Program Established. Sec. 21.553. Financial Incentives.	SECTION 7.27. Same as Senate version.
No equivalent provision.	SECTION 7.26. Amends Section 21.604(b), Education Code, relating to information and applications for the Careers to Classrooms Program, to make a conforming change.	SECTION 7.28. Same as Senate version.
No equivalent provision.	SECTION 7.27. Amends Section 21.609(c), Education Code, relating to reimbursement under the Careers to Classrooms Program, to make a conforming change.	SECTION 7.29. Same as Senate version.
No equivalent provision.	SECTION 7.28. Amends Section 22.0512(b), Education Code, relating to immunity from disciplinary proceedings for professional employees, to make conforming changes.	SECTION 7.30. Same as Senate version.
No equivalent provision.	SECTION 7.29. Amends Section 22.082, Education Code, Access to Criminal History Records by State Education Authorities, to allow the Educators' Professional Practices Board to obtain from any law enforcement or criminal justice agency all criminal history record information that relates to a holder of a certificate issued under Subchapter B, Chapter 21. Makes conforming changes in both the section heading and text.	Same as House version.
No equivalent provision.	SECTION 7.30. Amends Section 22.083(d), Education Code, relating to access to criminal history records by the	Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

	<p>board, to require the board to notify the commissioner of a criminal history reported to the board regarding an applicant for or holder of a teaching certificate. Makes conforming changes.</p>	
<p>No equivalent provision.</p>	<p>SECTION 7.31. Amends Sections 22.085 and 22.086, Education Code, as follows: Sec. 22.085. Discharge of Employees Convicted of offenses. Makes a conforming change. Sec. 22.086. Liability for Reporting offenses. Extends immunity from civil or criminal liability to the agency and its employees as well as to the Educators' Professional Practices Board, school districts, open-enrollment charter schools, private schools, regional education service centers, shared services arrangements, and their employees. Makes a conforming change.</p>	<p>Same as House version.</p>
<p>No equivalent provision.</p>	<p>SECTION 7.32. Amends Sections 29.061(a)-(c) and (e), Education Code, relating to bilingual education and special language program teachers, to make conforming changes.</p>	<p>SECTION 7.31. Same as Senate version.</p>
<p>No equivalent provision.</p>	<p>SECTION 7.33. Amends Sections 33.002(b) and (c), Education Code, relating to certified counselors, to make conforming changes.</p>	<p>SECTION 7.32. Same as Senate version.</p>
<p>No equivalent provision.</p>	<p>SECTION 7.34. Amends Section 37.007(g), Education Code, relating to expulsions for serious offenses, to allow the Educators' Professional Practices Board, on recommendation of the commissioner, to revoke or suspend the certification of a teacher who intentionally fails to keep</p>	<p>SECTION 7.33. Amends Section 37.007(g), Education Code, as amended by H.B. 603, Acts of the 79th Legislature, Regular Session, 2005. Same as Senate version, except incorporates the H.B. 603 amendment.</p>

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

certain information confidential.

No equivalent provision.

SECTION 7.35. Amends Section 61.0514, Education Code, Integrated Coursework, to make a conforming change.

SECTION 7.34. Same as Senate version.

No equivalent provision.

SECTION 7.36. Reenacts and amends Section 61.077, Education Code, P-16 Council. Amends Subsection (b) to read as follows: The council is composed of the commissioner of education, the commissioner of higher education, and the executive director of the Texas Workforce Commission. Existing members of the council may appoint additional members as the members consider necessary. The position of presiding officer rotates among the members of the council in the order the members are listed in this subsection, with each member serving as the presiding officer for one two-year term.

SECTION 7.35. Amends Section 61.076(b) and adds (j), Education Code, as that section was amended by H.B.2808, Acts of the 79th Legislature, Regular Session, 2005, as follows:

(b) The P-16 Council is composed of the commissioner of education, the commissioner of higher education, the executive director of the Texas Workforce Commission, *and the commissioner of assistive and rehabilitative services. The commissioner of higher education and the commissioner of education shall serve as co-chairs of the council.*

(j) The P-16 Council, in conjunction with the State Center for Early Childhood Development, shall develop and adopt a school readiness certification system as required by Section 29.161.

No equivalent provision.

SECTION 7.37. Amends Section 1001.254(a), Education Code, relating to temporary driver education instructor licenses, to make a conforming change.

SECTION 7.36. Same as Senate version.

No equivalent provision.

SECTION 7.38. Amends Article 15.27(a), Code of Criminal Procedure, relating to required notification to schools by law enforcement personnel, to make a conforming change.

SECTION 7.37. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 7.39. Amends Article 42.018(b), Code of Criminal Procedure, relating to notice by a court clerk, to require the clerk of a court that convicts or grants deferred adjudication to a person who holds a certificate issued under Subchapter B, Chapter 21, Education Code, to provide written notice of the conviction or deferred adjudication, and the offense on which it is based, to the Texas Education Agency and the Educators' Professional Practices Board.

SECTION 7.38. Same as Senate version.

No equivalent provision.

SECTION 7.40. Amends Section 411.090, Government Code, Access To Criminal History Record Information: State Educational Authorities. (a) Entitles the Texas Education Agency to obtain from the department any criminal history record information maintained by the department about an applicant for or holder of a certificate under Subchapter B, Chapter 21, Education Code. (b) Allows such information obtained by the agency to be used for any purpose related to the issuance or denial of a certificate issued under Subchapter B, Chapter 21, Education Code, or be provided to the Educators' Professional Practices Board for any purpose related to the suspension or revocation of a certificate issued under Subchapter B, Chapter 21, Education Code. Maintains that information's confidentiality and requires the agency to destroy the information after its authorized use. (c) Entitles the Educators' Professional Practices Board to obtain from the department any criminal history record information maintained by the department about a person who holds a certificate issued under Subchapter B, Chapter 21, Education Code.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

(d) Allows criminal history record information obtained by the board to be used for any purpose related to the suspension or revocation of a certificate issued under Subchapter B, Chapter 21, Education Code, and to be provided to the Texas Education Agency to be used for any purpose related to the issuance or denial of a certificate under Subchapter B, Chapter 21, Education Code. Prohibits release of such information to any other person except on court order or with the consent of the holder of the certificate and requires its destruction by the board after the information is used for the authorized purposes.

No equivalent provision.

SECTION 7.41. Amends Section 411.097(d), Government Code, relating to access to criminal history record information by specified educational entities, to make a conforming change.

Same as House version.

No equivalent provision.

SECTION 7.42. Amends Section 654.011(a), Government Code, relating to application of the position classification plan, to make a conforming change.

SECTION 7.39. Same as Senate version.

No equivalent provision.

SECTION 7.43. Amends Section 821.001(7), Government Code, relating to definitions, to make a conforming change.

SECTION 7.40. Same as Senate version.

No equivalent provision.

SECTION 7.44. Amends Section 821.103, Government Code, Cancellation of Teacher Certificate, to make conforming changes.

SECTION 7.41. Same as Senate version, except also amends the heading to read: Revocation of Teacher Certificate, and allows the board to revoke, rather than cancel a certificate.

No equivalent provision.

SECTION 7.45. Reenacts and amends Section

SECTION 7.42. Amends Section 2054.352(a),



**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.	2054.352(a), Government Code, relating to participation in the electronic system for occupational licensing transactions, to make conforming changes.	Government Code, as amended by S.B. 411, Acts of the 79th Legislature, Regular Session, 2005. Same as Senate version, except incorporates the S.B. 411 amendment.
No equivalent provision.	SECTION 7.46. Amends Section 2165.104(c), Government Code, relating to the space use study, to make a conforming change.	Same as House version.
No equivalent provision.	SECTION 7.47. Amends Section 504.002(b), Occupations Code, relating to certain exemptions for chemical dependency counselors, to make a conforming change.	SECTION 7.43. Same as Senate version, except also amends a statutory citation .
No equivalent provision. NOTE: HB 1116, Acts of the 79th Legislature, Regular Session, 2005, amended Section 21.035 to delete the provisions in (b) and (c) and also repealed Section 21.039. See SECTIONS 7.01 and 7.02 above.	SECTION 7.48. Repeals Sections 21.035(b) and (c), 21.039, 21.040, and 21.042, Education Code.	SECTION 7.44. Similar to Senate version, except repeals Sections 21.036, 21.040, and 21.042, and 21.047, Education Code.
No equivalent provision.	SECTION 7.49. (a) Abolishes the State Board for Educator Certification and transfers all of its powers, duties, personnel, property, assets, and obligations to the Educators' Professional Practices Board and the Texas Education Agency, as determined appropriate by the commissioner of education. The validity of a prior action of the State Board for Educator Certification is not affected by its abolishment, and any of its pending activities shall be deemed to have continued without interruption or material change. (b) The powers and duties of the Educators' Professional Practices Board, as created by this Act, shall continue to be	SECTION 7.45. Same as Senate version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

exercised by the State Board for Educator Certification until the initial appointees of the Educators' Professional Practices Board assume their offices, which may not be later than January 1, 2006.

(c) All rules of the State Board for Educator Certification relating to a transferred power or duty remain in effect as rules of the Educators' Professional Practices Board or commissioner of education, as appropriate, until amended or repealed by the board or commissioner.

(d) A contested case, rulemaking procedure, program, test, fee, contract, review, evaluation, sanction, act, or decision of the State Board for Educator Certification that is pending, completed, or in effect on the effective date of this Act shall be deemed that of the commissioner of education or the Educators' Professional Practices Board to the extent authorized by Subchapter B, Chapter 21, Education Code, as amended by this Act, or other law, until and unless a change is expressly made by the commissioner or the board, as appropriate.

(e) As soon as practicable after the effective date of this article and not later than November 1, 2005, the commissioner shall make initial appointments to the Educators' Professional Practices Board. In making the initial appointments, the commissioner shall designate four members to serve terms expiring February 1, 2007, four members to serve terms expiring February 1, 2009, and three members to serve terms expiring February 1, 2011.

(f) A person who holds a certificate issued under Subchapter B, Chapter 21, Education Code, as it existed on January 1, 2005, may continue to practice under that certificate until the certificate is renewed or replaced under

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

ARTICLE 8. REPEALER; APPLICABILITY;  
EFFECTIVE DATE

SECTION 8.01. (a) Repeals Sections 1-3 , Chapter 201, Acts of the 78th Legislature, Regular Session, 2003.

(b) Repeals Section 4, S.B. No. 151, Acts of the 79th Legislature, Regular Session, 2005.

(c) Repeals Sections 2 and 10(b), H.B. No. 2753, Acts of the 79th Legislature, Regular Session, 2005.

(d) Repeals Section 23.001(17), H.B. No. 2018, Acts of the 79th Legislature, Regular Session, 2005.

(e) Repeals Section 4, S.B. No. 23, Acts of the 79th Legislature, Regular Session, 2005.

No equivalent provision.

ARTICLE 8. REPEALER; TRANSITION; EFFECTIVE  
DATE

Subchapter B, Chapter 21, Education Code, as amended by this article.

(g) The code of ethics adopted under Subchapter B, Chapter 21, Education Code, by the State Board for Educator Certification and in effect on the effective date of this article remains in effect until superseded by rules of the Educators' Professional Practices Board.

SECTION 8.01. (a)(1) Effective September 1, 2005, repeals Sections 1-3 *and* 57 , Chapter 201, Acts of the 78th Legislature, Regular Session, 2003.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

(a)(2). Effective September 1, 2005, repeals Chapter 313, Acts of the 78th Legislature, Regular Session, 2003.

SECTION 8.01. (a) Same as House version, except effective November 1, 2005.

Same as Senate version.

Same as Senate version.

Same as Senate version.

(b) Same as House version, except effective November 1, 2005.

Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
No equivalent provision.	(a)(3) Effective September 1, 2005, repeals Section 1.01, Chapter 366, Acts of the 78th Legislature, Regular Session, 2003.	Same as House version.
(f) Repeals the following Education Code provisions:	(a)(4) Effective September 1, 2005, repeals the following Education Code provisions:	
No equivalent provision.	(a)(4) (part) Sections 7.006, 8.010, 37.004(g), and 42.253(e-1).	Same as House version.
No equivalent provision. (Amended in SECTION 2D.30.)	(a)(4) (Part) Section 39.051(d).	No equivalent provision.
(f)(1) Subchapter D, Chapter 22, as added by S.B. No. 1691 and S.B. No. 1863, Acts of the 79th Legislature, Regular Session, 2005.	No equivalent provision.	Same as Senate version.
(f)(2) Subchapters B, C, E, F, and G, Chapter 41.	SECTION 8.02. (1)(A) Same as House version, except effective September 1, 2006.	SECTION 8.03(1) Same as House version, except effective September 1, 2006.
(f)(3) Chapter 42, as it existed on <i>January 1, 2005</i> .	SECTION 8.02. (1)(B) Repeals only Subchapter F of Chapter 42, as it existed on <i>November 1, 2005</i> .	SECTION 8.03(2) Same as House version, except effective September 1, 2006.
(f)(4) (part) Sections 21.357.	No equivalent provision.	SECTION 8.01(c) Same as House version, except effective November 1, 2005.
(f)(4) (part) Sections 21.402(b) and (e).	SECTION 8.02. (1)(C) Same as House version, except does not repeal (e) and is effective September 1, 2006.	SECTION 8.01(c) Same as House version, except effective November 1, 2005.
(f)(4) (part) Sections 25.0811(b) and (c).	SECTION 8.01. (b) Same as House version, except effective September 1, 2006.	SECTION 8.02 Same as House version, except effective June 1, 2005.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
(f)(4) (part) Section 29.056(h).	SECTION 8.01. (a)(4) (part) Same as House version.	SECTION 8.01(c) Same as House version, except effective November 1, 2005.
(f)(4) (part) Sections 29.203(c) and (g).	SECTION 8.02. (1)(C) (part) Same as House version, except effective September 1, 2006.	SECTION 8.03(3) Same as House version, except effective September 1, 2006.
(f)(4) (part) Sections 39.023(j) and 39.024(c).	No equivalent provision. (Section 39.203(j) amended in SECTION 2C.12.)	SECTION 8.03(3) Effective September 1, 2006, repeals Section 39.024. Does not repeal 39.023(j).
(f)(4) (part) Sections 39.027(b), (c), and (f), 39.073, 39.074.	SECTION 8.01. (a)(4) Same as House version.	SECTION 8.03(3) Same as House version, except effective September 1, 2006.
(f)(4) (part) Sections 39.112.	No equivalent provision.	SECTION 8.03(3) Same as House version, except effective September 1, 2006.
(f)(4) (part) Sections 41.001, 41.002, 41.003, 41.0031, 41.007, 41.009(b), 41.011, 41.092, 41.099, 41.252(b).	SECTION 8.02. (1)(C) (part) Same as House version.	SECTION 8.03(3) Same as House version, except effective September 1, 2006.
See (f)(3) above.	SECTION 8.02 (1)(C) (part) Effective September 1, 2006, repeals Sections 42.103(b) and (c), 42.2514, 42.2517, 42.259, 42.260, 42.4101.	See SECTION 8.03(2).
(f)(4) 44.004(c) and (d), and 105.301(f).	No equivalent provision.	SECTION 8.03(3) Same as House version, except effective September 1, 2006.
No equivalent provision.	SECTION 8.02. (1)(D) Sections 42.2512(a-1) and 42.2541, as added by Part A, Article 1, of this Act.	Same as House version.
(g) Section 403.302(j), Government Code..	No equivalent provision.	SECTION 8.03(4) Same as House version, except effective September 1, 2006.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION	CONFERENCE
(h) Repeals the following provisions of the Insurance Code:	SECTION 8.02. (2)	
(1) Section 1579.253(b).	No equivalent provision	SECTION 8.01(4) Same as House version, except also repeals Section 1581.702, effective November 1, 2006
(2) Section 1581.053(b).	(A). Same as House version, except effective September 1, 2006.	SECTION 8.03(5) Same as House version, except effective September 1, 2006.
(3) Subchapter C, Chapter 1581.	(B). Same as House version, except effective September 1, 2006.	SECTION 8.03(6) Same as House version, except effective September 1, 2006.
(i) Repeals Sections 21.02(b) and 26.08(k), (l), and (m), Tax Code.	SECTION 8.02. (3) Same as House version, except does not repeal Sections 26.08(k), (l), and (m), and effective September 1, 2006.	SECTION 8.03(7) Same as House version, except also repeals Section effective September 1, 2006.
No equivalent provision.	SECTION 8.02. (3) (part) Effective September 1, 2006, repeals Sections 6.02(g), 6.03(m) and 25.25(k) Tax Code.	SECTION 8.03(7) Same as House version, except does not repeal Section 25.25, and is effective September 1, 2006.
No equivalent provision.	SECTION 8.03. Provides that a school district maintenance tax rate imposed under Sections 45.002 and 45.003, Education Code, before September 1, 2005, is void.	Same as House version.
No equivalent provision.	SECTION 8.04. (a) Except as provided by Subsection (b) of this section, if two or more sections of this Act amend the same provision of law, the sections of the Act should be harmonized, if possible, so that effect may be given to each section. (b) If a section of this Act repeals a provision of Chapter 12, Education Code, that section prevails over a section of	Same as House version.

**House Bill 2**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

SECTION 8.02. Except as *otherwise provided* by this Act, this Act applies beginning with the 2005-2006 school year.

SECTION 8.03. (a) Provides that, except as otherwise provided by this Act, this Act takes effect September 1, 2005, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect on that date: (1) this Act takes effect on the 91st day after the last day of the legislative session; and (2) a provision of this Act that states that the provision takes effect September 1, 2005, takes effect on the effective date as provided by Subdivision (1) of this subsection.

(b) This Act takes effect only if H.B. No. \_\_, Acts of the 79th Legislature, 1st Called Session, 2005, becomes law. If that bill does not become law, this Act has no effect.

this Act that amends the same provision.

SECTION 8.05. Provides that a change in law made by this Act relating to a school district maintenance tax or enrichment tax under Chapter 41 or Chapter 42, Education Code, prevails over any similar provision of H.B. No. 3, Acts of the 79th Legislature, Regular Session, 2005.

SECTION 8.06. Same as House version, except stipulates *otherwise specifically provided*.

SECTION 8.07. Except as otherwise specifically provided by this Act, this Act takes effect September 1, 2005, but only if H.B. No. 3, Acts of the 79th Legislature, Regular Session, 2005, becomes law. If H.B. No. 3 does not become law, this Act has no effect.

Same as House version.

No equivalent provision.

SECTION 8.04. (a) Except as otherwise provided by this Act, this Act takes effect November 1, 2005.  
(b) Notwithstanding any other provision of this Act, this Act takes effect only if H.B. No. 3, Acts of the 79th Legislature, 1st Called Session, 2005, or similar legislation enacted by the 79th or a subsequent legislature that specifically references this section, becomes law. If H.B. No. 3, Acts of the 79th Legislature, 1st Called Session, 2005, or similar legislation enacted by the 79th or a subsequent legislature that specifically references this section, does not become law, this Act has no effect.

