

HOUSE JOURNAL

SEVENTY-NINTH LEGISLATURE, FIRST CALLED SESSION

PROCEEDINGS

THIRD DAY — TUESDAY, JUNE 28, 2005

The house met at 10 a.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 3).

Present — Mr. Speaker; Allen, A.; Allen, R.; Alonzo; Anchia; Anderson; Bailey; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Casteel; Castro; Chavez; Chisum; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Herrero; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jackson; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King, P.; King, T.; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Leibowitz; Luna; Madden; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega, M.; Oliveira; Olivo; Orr; Otto; Paxton; Peña; Phillips; Pickett; Pitts; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rodriguez; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Strama; Straus; Swinford; Talton; Taylor; Thompson; Truitt; Turner; Uresti; Van Arsdale; Veasey; Villarreal; Vo; West; Wong; Woolley; Zedler.

The invocation was offered by Representative Edwards.

The speaker recognized Representative Edwards who led the house in the pledges of allegiance to the United States and Texas flags.

REGULAR ORDER OF BUSINESS SUSPENDED

On motion of Representative Denny and by unanimous consent, the reading and referral of bills was postponed until just prior to adjournment.

MAJOR STATE CALENDAR HOUSE BILLS SECOND READING

The following bills were laid before the house and read second time:

HB 2 ON SECOND READING
(by Grusendorf)

HB 2, A bill to be entitled An Act relating to public education and public school finance matters; imposing criminal penalties.

(P. King in the chair)

Amendment No. 1

Representative Grusendorf offered the following amendment to **HB 2**:
Floor Packet Page No. 1

Amend **HB 2** as follows:

- (1) On page 6, line 17, strike "2006" and substitute "2008".
- (2) On page 6, line 18, strike "2007" and substitute "2009".
- (3) On page 54, lines 9 and 10, strike "This subsection expires January 1, 2009.".
- (4) On page 66, line 5, strike "42.253" and substitute "42.313".
- (5) On page 67, line 20, strike "board" and substitute "commissioner".
- (6) On page 68 line 17, strike "board" and substitute "commissioner".
- (7) On page 68, line 23, strike "board" and substitute "commissioner".
- (8) On page 89, line 26, between "Chapter" and "12", insert "11A or".
- (9) On page 104, lines 13 and 14, strike "or participation in a University Interscholastic League area, regional, or state competition under Section 33.0812" and substitute "or participation in a University Interscholastic League area, regional, or state competition under Section 33.0812".
- (10) On page 113, line 26, strike "42.253" and substitute "42.313".
- (11) On page 115, between lines 24 and 25, insert the following appropriately numbered SECTION and renumber the subsequent SECTIONS of Part C, Article 2 of the bill accordingly:
SECTION 2C.____. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.011 to read as follows:
Sec. 44.011. EXPENDITURES FOR DIRECT INSTRUCTIONAL ACTIVITIES. (a) A school district shall allococate at least 65 percent of the district's total revenue to fund direct instructional activities in the district.
(a-1) Subsection (a) applies beginning with the 2008-2009 school year. For the 2005-2006, 2006-2007, and 2007-2008 school years, a school district shall 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) Subsection (a-1) and this subsection expire August 1, 2008.
(b) 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; and

(2) do not include expenditures directly related to programs and services that are provided at the district's discretion.

(c) The commissioner may adopt rules for purposes of this section in a manner consistent with Subsection (b) and Section 44.0071.

(12) On page 136, lines 5 and 6, strike "or whether the student should be exempted under Section 39.027(a)(2)" and substitute "[or whether the student should be exempted under Section 39.027(a)(2)]".

(13) On page 141, line 8, strike "shall" and substitute "may".

(14) On page 176, line 8, strike "three" and substitute "more than two".

(15) On page 188, lines 12 and 13, strike "or 39.112" and substitute "[or 39.112]".

(16) On page 191, strike lines 20-27 and substitute the following:

(2) a description of the district's actual expenditures for each campus and any difference between those campus expenditures and the foundation school program allotments received for the campus; and

(3) any descriptive information required by the commissioner.

(17) On page 208, line 7, strike "32.005(c)" and substitute "32.005(d)".

(18) On page 237, line 16, strike "and".

(19) On page 237, line 20, between "this Act" and the period, insert the following:

; and

(3) permitting an educator to fulfill continuing education requirements by acquiring conversational skill in a language other than English, as required by Section 21.054(c), Education Code, as added by this Act

(20) Strike page 262, lines 4-16 and renumber the subsequent SECTIONS of Article 3 of the bill accordingly.

(21) On page 265, between lines 2 and 3, insert the following appropriately numbered section:

SECTION 3. _____. Section 39.183, Education Code, is amended to read as follows:

Sec. 39.183. REGIONAL AND DISTRICT LEVEL REPORT. The agency shall prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, each member of the legislature, the Legislative Budget Board, and the clerks of the standing committees of the senate and house of representatives with primary jurisdiction over the public school system a regional and district level report covering the preceding two school years and containing:

(1) a summary of school district compliance with the student/teacher ratios and class-size limitations prescribed by Sections 25.111 and 25.112, including:

(A) the number of campuses and classes at each campus granted an exception from Section 25.112; and

(B) the performance rating under Subchapter D of each campus granted an exception from Section 25.112;

(2) a summary of the exemptions and waivers granted to school districts under Section 7.056 [~~or 39.112~~] and a review of the effectiveness of each campus or district following deregulation;

(3) an evaluation of the performance of the system of regional education service centers based on the indicators adopted under Section 8.101 and client satisfaction with services provided under Subchapter B, Chapter 8;

(4) an evaluation of accelerated instruction programs offered under Section 28.006, including an assessment of the quality of such programs and the performance of students enrolled in such programs; and

(5) the number of classes at each campus that are currently being taught by individuals who are not certified in the content areas of their respective classes.

(22) On page 284, line 7, strike "42.006" and substitute "7.007".

(23) On page 305, line 13, strike "42.006" and substitute "7.007".

(24) On page 307, line 20, strike "42.253" and substitute "42.306".

(25) On page 307, line 21, strike "42.302" and substitute "42.252".

(26) On page 307, line 22, strike "42.102, 42.103" and substitute "42.301, 42.302".

(27) On page 307, line 23, strike "42.105" and substitute "42.303".

(28) On page 307, line 24, strike "42.302" and substitute "42.252".

(29) On page 308, line 12, strike "Chapter 42" and substitute "Section 39.113".

(30) On page 323, strike lines 13–27 and substitute the following:

(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.

(31) On page 326, line 22, strike "42.253" and substitute "42.313".

(32) On page 328, line 3, strike "42.253" and substitute "42.313".

(33) On page 407, line 2, strike "504.057" and substitute "504.1515 [504.057]".

(34) On page 409, line 22, strike "Sections 2 and 4" and substitute "Section 4".

(35) On page 409, line 23, strike "are" and substitute "is".

(36) On page 410, line 5, between "22" and the semicolon, insert "," as added by **SB 1691** and **SB 1863**, Acts of the 79th Legislature, Regular Session, 2005".

(37) On page 410, line 9, between "39.024(e)," and "39.073", insert "39.027(b), (c), and (f),".

(38) On page 410, line 19, strike "21.02(b)" and substitute "6.02(g), 6.03(m), 21.02(b)".

Amendment No. 1 was adopted.

Amendment No. 2

Representatives Grusendorf and Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 7

Amend **HB 2** by striking page 25, line 16, through page 26, line 11, and substituting the following:

Sec. 42.3051. USE OF REVENUE FOR PROFESSIONAL STAFF COMPENSATION; ADDITIONAL STATE AID. (a) A school district shall 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, a school district shall 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) 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 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) 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 \$2,000 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 **HB 2**, Acts of the 79th Legislature, 1st Called Session, 2005.

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

(f) The commissioner shall adopt rules to implement this section.

HB 2 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE MADDEN: Kenneth, a matter of legislative intent, some of our school districts have already met and because they have a budget setting date that has to go into effect, let's say the first of July, some of them may have

already met and given pay raises as part of their budgeting. It is your intent, is it not, that the money funded here would be credited or would be counted by those districts, is it not?

REPRESENTATIVE GRUSENDORF: I think that would be my legislative intent and I think that makes good sense. If we had passed this bill out in the regular session, they would have been able to act on it after we passed the bill. That would certainly be my intent to allow that to count toward this 44 percent.

MADDEN: So for those districts who have now given or indicated pay raises for the 2005-2006 year, this legislation would not require them additional outlay on top of that?

GRUSENDORF: Because we're in this special session in the summer, we have to do that to be fair to the districts, absolutely.

REMARKS ORDERED PRINTED

Representative Madden moved to print remarks between Representative Grusendorf and Representative Madden.

The motion prevailed.

(Bonnen in the chair)

Amendment No. 3

Representative Solis offered the following amendment to Amendment No. 2:

Amend the Grusendorf amendment (page 7 of the amendment packet) to **HB 2** on page 1, line 8, between "Chapter 21," and "and", by inserting "licensed social workers,".

Amendment No. 3 was withdrawn.

Amendment No. 2 was adopted.

Amendment No. 4

Representative Hochberg offered the following amendment to **HB 2**:
Floor Packet Page No. 78

Amend **HB 2** as follows:

(1) Strike Article 1, Part A and substitute the following:

"PART A. EDUCATION FUNDING

SECTION 1A.01. Section 42.005(a), Education Code, is amended to read as follows:

(a) In this chapter, average daily attendance is:

(1) the quotient of the sum of attendance for each day of the minimum number of days of instruction as described under Section 25.081(a) divided by the minimum number of days of instruction; [✗]

(2) for a district that operates under a flexible year program under Section 29.0821, the quotient of the sum of

attendance for each actual day of instruction as permitted by Section 29.0821(b)(1) divided by the number of actual days of instruction as permitted by Section 29.0821(b)(1); or

(3) for a district that operates under a flexible school day program under Section 29.0822, the average daily attendance as calculated by the commissioner in accordance with Section 29.0822(d).

SECTION 1A.02. Effective September 1, 2005, Section 42.101, Subchapter B, Chapter 42, Education Code is amended to read as follows:

Sec. 42.101. 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 allotment of \$2800 [~~\$2,537~~]. A greater amount for any school year may be provided by appropriation.

SECTION 1A.03. Effective September 1, 2006, Section 42.101, Subchapter B, Chapter 42, Education Code is amended to read as follows:

Sec. 42.101. 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 allotment of \$3100 [~~\$2,537~~]. A greater amount for any school year may be provided by appropriation.

SECTION 1A.04. Effective September 1, 2005, Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsections (a) and (t) and adding Subsection (c-2) to read 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 is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.225 [~~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-2) Notwithstanding Subsection (c), a school district may use funds allocated under this section to provide Saturday classes for third grade students who fail to perform satisfactorily on an assessment instrument administered under Section 39.023.

(t) A reduction made under this section or the General Appropriations Act in the allotment under this section, including a reduction under Section 39.031(a), does not affect the computation of students in weighted average daily attendance for purposes of Subchapter F except that the reduction shall be applied in the same manner to districts that receive payments under Chapter 42 and districts that make payments under Chapter 41.

SECTION 1A.05. Effective September 1, 2006, Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsections (a) and (t) and adding Subsection (c-2) to read 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 is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.25 [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-2) Notwithstanding Subsection (c), a school district may use funds allocated under this section to provide Saturday classes for third grade students who fail to perform satisfactorily on an assessment instrument administered under Section 39.023.

(t) A reduction made under this section or the General Appropriations Act in the allotment under this section, including a reduction under Section 39.031(a), does not affect the computation of students in weighted average daily attendance for purposes of Subchapter F except that the reduction shall be applied in the same manner to districts that receive payments under Chapter 42 and districts that make payments under Chapter 41.

SECTION 1A.06. Section 42.102(b), Subchapter B, Chapter 42, Education Code is amended to read as follows:

(b) The cost of education adjustment is the 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. The commissioner shall modify the adjustment in a cost neutral manner to provide for the equal application of the adjustment to each of the two tiers of the system.

SECTION 1A.07. Section 42.153(a), Subchapter C, Chapter 42, Education Code is amended to read as follows:

(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 equal to the adjusted basic allotment multiplied by 0.15 [0.4].

SECTION 1A.08. Section 42.154(a), Subchapter C, Chapter 42, Education Code is amended to read 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 basic allotment multiplied by a weight of 1.35.

SECTION 1A.09. Section 42.155, Subchapter C, Chapter 42, Education Code is amended by adding subsection (l) to read as follows:

(l) Beginning in the 2005-2006 school year, the allocation per mile of approved route shall be at least thirty-five percent higher than the allocation per mile for the 2004-2005 school year.

SECTION 1A.10. Subchapter C, Chapter 42, Education Code is amended by adding Section 42.159 to read as follows:

Sec. 42.159. INSTRUCTIONAL MATERIALS AND TECHNOLOGY ALLOTMENT. (a) For each student in average daily attendance, a school district is entitled to an annual allotment of \$70.

(b) Funds allotted under this section may be used only to purchase approved instructional materials, including online instructional materials.

(c) This section applies beginning with the 2006-2007 school year. This subsection expires September 1, 2007.

SECTION 1A.11. Effective September 1, 2005, Section 42.2512, Education Code, is amended to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR PROFESSIONAL STAFF SALARIES. (a) 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 \$2,000 [~~\$3,000~~] 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) an amount equal to 80 percent of the amount of additional funds to which the district is entitled due to the increases made by Sections 1A.01, 1A.15, and 1A.16, HB 2, Acts of the 79th Legislature, First Called Session, 2005 [~~SB-4, Acts of the 76th Legislature, Regular Session, 1999~~], to:

(A) the equalized wealth level under Section 41.002;

(B) the basic allotment under Section 42.101; and

(C) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302.

SECTION 1A.12. Effective September 1, 2006, Section 42.2512, Education Code, is amended to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR PROFESSIONAL STAFF SALARIES. (a) 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 \$3,500 [~~\$3,000~~] 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) an amount equal to 80 percent of the amount of additional funds to which the district is entitled due to the increases made by Sections 1A.02, 1A.15, and 1A.16, HB 2, Acts of the 79th Legislature, First Called Session, 2005 [~~SB-4, Acts of the 76th Legislature, Regular Session, 1999~~], to:

(A) the equalized wealth level under Section 41.002;

(B) the basic allotment under Section 42.101;

and

(C) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302.

SECTION 1A.13. Subchapter E, Chapter 42, Education Code is amended by adding Section 42.2513 to read as follows:

Sec. 42.2513. ADDITIONAL TRANSITIONAL AID. (a) Notwithstanding any other provision of this chapter or Chapter 41, and provided that a school district imposes a tax of at least \$1.25 on the \$100

valuation of taxable property, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the sum of:

(1) the greater of:

(A) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operation of the district, to which the district was entitled for the 2004-2005 school year under Chapter 42, or, if the district was subject to Chapter 41, the amount to which the district was entitled under that chapter, including any amounts the district received under Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); or

(B) the amount of state and local revenue per student in weighted 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 any amounts described by Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); and

(2) an amount equal to three percent of the greater of the amounts described by Subdivision (1).

(b) The amount of revenue to which a school district is entitled because of the technology allotment under Section 32.005 or the instructional materials and technology allotment under Section 42.241 is not included in making a determination under Subsection (a).

(c) 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.

SECTION 1A.14. Section 42.252(a), Subchapter E, Chapter 42, Education Code is amended to read as follows:

(a) Each school district's share of 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 when multiplied by the ratio of the actual taxable value of the property in the district for the current tax year divided by the taxable value of property in the district for the preceding tax year as determined under Subchapter M, Chapter 403, Government Code, raises \$0.86 for each hundred dollars of valuation ~~is an effective tax rate of \$0.86~~; and

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

SECTION 1A.15. Section 42.302(a), Subchapter E, Chapter 42, Education Code is amended to read as follows:

(a) Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 42.303, is determined by the formula:

$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

where:

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

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is the quotient of the basic allotment under Section 42.101 divided by 86 [~~\$27.14~~] or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C, less any allotment to the district for transportation and [7] any allotment under Section 42.158, [~~and 50 percent of the adjustment under Section 42.102,~~] by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the school district, which is determined by multiplying the district's adopted tax rate by the ratio of the actual taxable value of the property in the district for the current tax year divided by the taxable value of property in the district for the preceding year as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, and subtracting the district's "TR" as calculated under Section 42.252(a) [~~subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 400~~]; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100.

SECTION 1A.16. Section 41.002, Chapter 41, Education Code is amended to read as follows:

Sec. 41.002. EQUALIZED WEALTH LEVEL. [~~(a)~~] A school district may not have a wealth per student that exceeds the wealth per student that produces the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302 [~~\$305,000~~].

SECTION 1A.17. Section 26.08, Tax Code, is amended by adding Subsections (a-1)-(a-6) and amending Subsections (i) and (k) to read as follows:

(a-1) Except as provided by Subsection (a-2), for the 2005 tax year, a school district may not impose a tax for the maintenance and operations of the district that exceeds the greater of:

(1) the rate equal to 135/150 of the rate adopted by the district for maintenance and operations for the 2004 tax year; or

(2) the rate necessary to ensure that the district receives the amount of revenue described by Sections 42.2513(a)(1) and (2), Education Code, provided that the rate may not exceed \$1.35 on the \$100 valuation of taxable property.

(a-2) Notwithstanding any other provision of law, for the 2005 tax year 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 continue to impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.15 less than the rate adopted by the district for maintenance and operations for the 2004 tax year.

(a-3) Subsections (a-1), (a-2), and this subsection expire January 1, 2006.

(a-4) Except as provided by Subsection (a-2), for the 2005 tax year, a school district may not impose a tax for the maintenance and operations of the district that exceeds the greater of:

(1) the rate equal to 130/150 of the rate adopted by the district for maintenance and operations for the 2004 tax year; or

(2) the rate necessary to ensure that the district receives the amount of revenue described by Sections 42.2513(a)(1) and (2), Education Code, provided that the rate may not exceed \$1.30 on the \$100 valuation of taxable property;

(a-5) Notwithstanding any other provision of law, for the 2005 tax year 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 continue to impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.20 less than the rate adopted by the district for maintenance and operations for the 2004 tax year.

(a-6) Subsections (a-4), (a-5), and this subsection expire January 1, 2007.

(i) For purposes of this section, the rollback tax rate of a school district is the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42 and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year;

(2) the rate of \$0.04 [~~\$0.06~~] per \$100 of taxable value; and

(3) the district's current debt rate.

(k) For purposes of this section, for the [~~2003, 2004,~~] 2005, 2006, 2007, or 2008 tax year, for a school district that is entitled to state funds under Section 4(a-1), (a-2), (a-3), (a-4), (a-5), or (a-6), Article 3.50-9, Insurance Code, the rollback tax rate of the district is the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42 and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year;

(2) the tax rate that, applied to the current total value for the district, would impose taxes in the amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, permits the district to comply with Section 3, Article 3.50-9, Insurance Code;

(3) the rate of \$0.04 [~~\$0.06~~] per \$100 of taxable value; and

(4) the district's current debt rate.

SECTION 1A.18. Section 311.013, Tax Code, is amended by adding Subsection (l) to read as follows:

(l) This subsection applies only to a reinvestment zone created before September 1, 1999, for which a school district entered into an agreement before that date to pay a portion of the tax increment produced by the school district into the tax increment fund established for the zone. In addition to the amount the school district is otherwise required to pay into the tax increment fund each year, the comptroller shall pay into the fund from any available source an additional amount. The additional amount is the amount by which the amount the district would have been 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 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.19. Subchapter H, Chapter 45, Education Code, is amended by adding Section 45.233 to read as follows:

Sec. 45.233. REVIEW OF TAX COLLECTIONS. The comptroller shall periodically examine the effectiveness of school districts in collecting district taxes.

SECTION 1A.20. Section 11.13(b), Tax Code is amended to read as follows:

(b) An adult is entitled to exemption from taxation by a school district of \$45,000 [~~\$15,000~~] of the appraised value of the adult's residence homestead, except that \$40,000 [~~\$10,000~~] of the exemption does not apply to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.

SECTION 1A.21. Effective September 1, 2005, Section 11.13(b), Tax Code is amended to read as follows:

(b) An adult is entitled to exemption from taxation by a school district of \$30,000 [~~\$15,000~~] of the appraised value of the adult's residence homestead, except that \$25,000 [~~\$10,000~~] of the exemption does not apply to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.

SECTION 1A.22. Effective September 1, 2006, Section 11.13(b), Tax Code is amended to read as follows:

(b) An adult is entitled to exemption from taxation by a school district of \$45,000 [~~\$15,000~~] of the appraised value of the adult's residence homestead, except that \$40,000 [~~\$10,000~~] of the exemption does not apply to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.

SECTION 1A.23 Effective September 1, 2005, Section 403.302(j), Education Code, is amended to read as follows:

(j) For purposes of Section 42.2511, Education Code, the comptroller shall certify to the commissioner of education:

(1) a final value for each school district computed on a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$15,000 [~~\$5,000~~]; and

(2) a final value for each school district computed on ~~[-~~ [(A)] a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$30,000 [~~\$15,000~~; and [(B) the effect of the additional limitation on tax increases under Section 1-b(d), Article VIII, Texas Constitution].

SECTION 1A.24 Effective September 1, 2006, Section 403.302(j), Education Code, is amended to read as follows:

(j) For purposes of Section 42.2511, Education Code, the comptroller shall certify to the commissioner of education:

(1) a final value for each school district computed on a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$15,000 [~~\$5,000~~]; and

(2) a final value for each school district computed on ~~[-~~ [(A)] a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$45,000 [~~\$15,000~~; and [(B) the effect of the additional limitation on tax increases under Section 1-b(d), Article VIII, Texas Constitution].

SECTION 1A.25 Section 42.2511(a), Education Code, is amended to read as follows:

(a) Notwithstanding any other provision of this chapter, a school district is entitled to additional state aid to the extent that state aid under this chapter based on the determination of the school district's taxable value of property as provided under Subchapter M, Chapter 403, Government Code, does not fully compensate the district for ad valorem tax revenue lost due to the increase in the homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by

HJR 11, 79th Legislature, First Called Session, 2005 [~~HJR 4, 75th Legislature, Regular Session, 1997, and the additional limitation on tax increases under Section 1 b(d), Article VIII, Texas Constitution, as proposed by HJR 4, 75th Legislature, Regular Session, 1997~~].

(2) Strike SECTION 2A.10, on pages 73-75, and substitute the following:

SECTION 2A.10. Section 21.402, Education Code, is amended by amending Subsections (a) and (d) and adding Subsections (c-1), (c-2), (c-3), (e) and (f) to read as follows:

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

$$MS = SF \times FS$$

where:

"MS" is the minimum monthly salary;

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

"FS" is the amount, as determined by the commissioner under Subsection (b), of 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 42.303, except that the amount of state and local funds per weighted student does not include the amount attributable to the increase in the guaranteed level made by HB 3343, Acts of the 77th Legislature, Regular Session, 2001 or by HB 2, Acts of the 79th Legislature, First Called Session, 2005.

(c-1) Notwithstanding Subsection (a), for the 2005-2006 school year, a classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that 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 or other compensation system, 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) \$180.

(c-2) Notwithstanding Subsection (a), for the 2006-2007 school year, a classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that is at least equal to the sum of:

(1) the monthly salary the employee would have received for the 2006-2007 school year under the district's salary schedule or other compensation system, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2006-2007 school year; and

(2) \$320.

(c-3) Subsections (c-1) and (c-2) and this subsection expire September 1, 2006.

(d) A classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse employed by a school district in the 2006-2007 [2000-2001] school year is, as long as the employee is employed by the same district, entitled to a salary that is at least equal to the salary the employee received for the 2006-2007 [2000-2001] school year.

(e-1) For the 2005-2006 school year, in addition the amounts specified in (c-1), each school district shall spend an amount equal to the product of \$200 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 on:

(1) additional across the board salary increases for all employees subject to the minimum salary schedule; or

(2) additional stipends, in amounts determined by the district, to encourage successful classroom teachers who hold appropriate certificates issued as provided by Subchapter B and have at least three years of classroom experience to:

(A) teach or serve as a mentor or master teacher at a campus that is considered low-performing under Section 39.132;

(B) teach or serve as a mentor or master teacher at a campus or in a program where at least 70 percent of the students are educationally disadvantaged;

(C) serve as a mentor or master teacher in a subject for which they are certified and which is designated by the Commissioner as a critical shortage area; or

(D) teach or serve in a program that is designed to provide highly qualified teachers to students that are at risk of failing or dropping out.

(e-2) Beginning with the 2006-2007 school year, in addition to the amounts specified in (c-2), each school district shall spend an amount equal to the product of \$300 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 on:

(1) additional across the board salary increases for all employees subject to the minimum salary schedule; or

(2) additional stipends, in amounts determined by the district, to encourage successful classroom teachers who hold appropriate certificates issued as provided by Subchapter B and have at least three years of classroom experience to:

(A) teach or serve as a mentor or master teacher at a campus that is considered low-performing under Section 39.132;

(B) teach or serve as a mentor or master teacher at a campus or in a program where at least 70 percent of the students are educationally disadvantaged;

(C) serve as a mentor or master teacher in a subject for which they are certified and which is designated by the Commissioner as a critical shortage area; or

(D) teach or serve in a program that is designed to provide highly qualified teachers to students that are at risk of failing or dropping out.

(f) No later than June 1, 2007, the commissioner shall adjust the factors in Subsection (a) above such that the minimum monthly salary calculated under Subsection (a) is \$320 greater than the minimum monthly salary the formula would have generated.

(3) In SECTION 3.22, on page 264, strike lines 21-26 and substitute the following:

"(b) After setting aside an appropriate amount in accordance with this section, the commissioner shall proportionately reduce each district's tier one allotment or, for a district that does not receive a Tier I allotment, increase the district's payments under Chapter 41. A reduction in tier one allotments under this section does not affect the computation of the guaranteed amount of revenue per student per cent of tax effort under Section 42.252."

(4) On page 410, strike lines 5-20 and replace with the following:

"Sections 21.357, 25.0811(b) and (c), 29.056(h), 29.203(c) and (g), 39.023(j), 39.024(e), 39.073, 39.074, 39.112, 44.004(c) and (d) and 105.301(f)."

(5) On page 410, strike lines 19-20.

(6) On page 411, add a new Section 8.03(c) as follows:

"(c) This Act takes effect only if **HJR 11**, Acts of the 79th Legislature, 1st Called Session, 2005, becomes law. If that bill does not become law, this Act has no effect."

(7) To the extent that this amendment creates a cost which is not offset by an equal dollar reduction in the cost of **HB 2**, the Legislative Budget Board is directed to modify the property tax rate limitations and corresponding increase of school finance elements in order to maintain the current cost of **HB 2**.

(Speaker in the chair)

Amendment No. 4 - Point of Order

Representative Kolkhorst raised a point of order against further consideration of Amendment No. 4 under Rule 11, Section 2 of the House Rules on the grounds that it is not germane to the bill.

The speaker sustained the point of order.

The ruling precluded further consideration of Amendment No. 4.

Amendment No. 5

Representative Hochberg offered the following amendment to **HB 2**:

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Amend **HB 2** as follows:

(1) Strike Article 1, Part A and substitute the following:

"PART A. EDUCATION FUNDING

SECTION 1A.01. Section 42.005(a), Education Code, is amended to read as follows:

(a) In this chapter, average daily attendance is:

(1) the quotient of the sum of attendance for each day of the minimum number of days of instruction as described under Section 25.081(a) divided by the minimum number of days of instruction; ~~or~~

(2) for a district that operates under a flexible year program under Section 29.0821, the quotient of the sum of attendance for each actual day of instruction as permitted by Section 29.0821(b)(1) divided by the number of actual days of instruction as permitted by Section 29.0821(b)(1); or

(3) for a district that operates under a flexible school day program under Section 29.0822, the average daily attendance as calculated by the commissioner in accordance with Section 29.0822(d).

SECTION 1A.02. Effective September 1, 2005, Section 42.101, Subchapter B, Chapter 42, Education Code is amended to read as follows:

Sec. 42.101. 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 allotment of \$2,800 [~~\$2,537~~]. A greater amount for any school year may be provided by appropriation.

SECTION 1A.03. Effective September 1, 2006, Section 42.101, Subchapter B, Chapter 42, Education Code is amended to read as follows:

Sec. 42.101. 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 allotment of \$3,100 [~~\$2,537~~]. A greater amount for any school year may be provided by appropriation.

SECTION 1A.04. Effective September 1, 2005, Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsections (a) and (t) and adding Subsection (c-2) to read 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 is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.225 [~~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-2) Notwithstanding Subsection (c), a school district may use funds allocated under this section to provide Saturday classes for third grade students who fail to perform satisfactorily on an assessment instrument administered under Section 39.023.

(t) A reduction made under this section or the General Appropriations Act in the allotment under this section, including a reduction under Section 39.031(a), does not affect the computation of students in weighted average daily attendance for purposes of Subchapter F except that the reduction shall be applied in the same manner to districts that receive payments under Chapter 42 and districts that make payments under Chapter 41.

SECTION 1A.05. Effective September 1, 2006, Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsections (a) and (t) and adding Subsection (c-2) to read 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 is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.25 [~~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-2) Notwithstanding Subsection (c), a school district may use funds allocated under this section to provide Saturday classes for third grade students who fail to perform satisfactorily on an assessment instrument administered under Section 39.023.

(t) A reduction made under this section or the General Appropriations Act in the allotment under this section, including a reduction under Section 39.031(a), does not affect the computation of students in weighted average daily attendance for purposes of Subchapter F except that the reduction shall be applied in the same manner to districts that receive payments under Chapter 42 and districts that make payments under Chapter 41.

SECTION 1A.06. Section 42.102(b), Subchapter B, Chapter 42, Education Code is amended to read as follows:

(b) The cost of education adjustment is the 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. The commissioner shall modify the adjustment in a cost neutral manner to provide for the equal application of the adjustment to each of the two tiers of the system.

SECTION 1A.07. Section 42.153(a), Subchapter C, Chapter 42, Education Code is amended to read as follows:

(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 equal to the adjusted basic allotment multiplied by 0.15 [~~0.1~~].

SECTION 1A.08. Section 42.154(a), Subchapter C, Chapter 42, Education Code is amended to read 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 basic allotment multiplied by a weight of 1.35.

SECTION 1A.09. Section 42.155, Subchapter C, Chapter 42, Education Code is amended by adding subsection (l) to read as follows:

(l) Beginning in the 2005-2006 school year, the allocation per mile of approved route shall be at least thirty-five percent higher than the allocation per mile for the 2004-2005 school year.

SECTION 1A.10. Subchapter C, Chapter 42, Education Code is amended by adding Section 42.159 to read as follows:

Sec. 42.159. INSTRUCTIONAL MATERIALS AND TECHNOLOGY ALLOTMENT. (a) For each student in average daily attendance, a school district is entitled to an annual allotment of \$70.

(b) Funds allotted under this section may be used only to purchase approved instructional materials, including online instructional materials.

(c) This section applies beginning with the 2006-2007 school year. This subsection expires September 1, 2007.

SECTION 1A.11. Effective September 1, 2005, Section 42.2512, Education Code, is amended to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR PROFESSIONAL STAFF SALARIES. (a) 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 \$2,000 [~~\$3,000~~] 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) an amount equal to 80 percent of the amount of additional funds to which the district is entitled due to the increases made by Sections 1A.01, 1A.15, and 1A.16, HB 2, Acts of the 79th Legislature, First Called Session, 2005 [~~SB 4, Acts of the 76th Legislature, Regular Session, 1999~~], to:

(A) the equalized wealth level under Section 41.002;

(B) the basic allotment under Section 42.101; and

(C) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302.

SECTION 1A.12. Effective September 1, 2006, Section 42.2512, Education Code, is amended to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR PROFESSIONAL STAFF SALARIES. (a) 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 \$3,500 [~~\$3,000~~] 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) an amount equal to 80 percent of the amount of additional funds to which the district is entitled due to the increases made by Sections 1A.02, 1A.15, and 1A.16, HB 2, Acts of the 79th Legislature, First Called Session, 2005 [~~SB 4, Acts of the 76th Legislature, Regular Session, 1999~~], to:

- (A) the equalized wealth level under Section 41.002;
- (B) the basic allotment under Section 42.101;

and

(C) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302.

SECTION 1A.13. Subchapter E, Chapter 42, Education Code is amended by adding Section 42.2513 to read as follows:

Sec. 42.2513. ADDITIONAL TRANSITIONAL AID. (a) Notwithstanding any other provision of this chapter or Chapter 41, and provided that a school district imposes a tax of at least \$1.25 on the \$100 valuation of taxable property, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the sum of:

SECTION 1A.18. Section 311.013, Tax Code, is amended by adding Subsection (l) to read as follows:

(l) This subsection applies only to a reinvestment zone created before September 1, 1999, for which a school district entered into an agreement before that date to pay a portion of the tax increment produced by the school district into the tax increment fund established for the zone. In addition to the amount the school district is otherwise required to pay into the tax increment fund each year, the comptroller shall pay into the fund from any available source an additional amount. The additional amount is the amount by which the amount the district would have been 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 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.19. Subchapter H, Chapter 45, Education Code, is amended by adding Section 45.233 to read as follows:

Sec. 45.233. REVIEW OF TAX COLLECTIONS. The comptroller shall periodically examine the effectiveness of school districts in collecting district taxes.

(2) Strike SECTION 2A.10, on pages 73-75, and substitute the following:

SECTION 2A.10. Section 21.402, Education Code, is amended by amending Subsections (a) and (d) and adding Subsections (c-1), (c-2), (c-3), (e) and (f) to read as follows:

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

$$MS = SF \times FS$$

where:

"MS" is the minimum monthly salary;

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

"FS" is the amount, as determined by the commissioner under Subsection (b), of 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 42.303, except that the amount of state and local funds per weighted student does not include the amount attributable to the increase in the guaranteed level made by **HB 3343**, Acts of the 77th Legislature, Regular Session, 2001 or by **HB 2**, Acts of the 79th Legislature, First Called Session, 2005.

(c-1) Notwithstanding Subsection (a), for the 2005-2006 school year, a classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that 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 or other compensation system, 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) \$180.

(c-2) Notwithstanding Subsection (a), for the 2006-2007 school year, a classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that is at least equal to the sum of:

(1) the monthly salary the employee would have received for the 2006-2007 school year under the district's salary schedule or other compensation system, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2006-2007 school year; and

(2) \$320.

(c-3) Subsections (c-1) and (c-2) and this subsection expire September 1, 2006.

(d) A classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse employed by a school district in the 2006-2007 [~~2000-2001~~] school year is, as long as the employee is employed by the same district, entitled to a salary that is at least equal to the salary the employee received for the 2006-2007 [~~2000-2001~~] school year.

(e-1) For the 2005-2006 school year, in addition the amounts specified in (c-1), each school district shall spend an amount equal to the product of \$200 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 on:

(1) additional across the board salary increases for all employees subject to the minimum salary schedule; or

(2) additional stipends, in amounts determined by the district, to encourage successful classroom teachers who hold appropriate certificates issued as provided by Subchapter B and have at least three years of classroom experience to:

(A) teach or serve as a mentor or master teacher at a campus that is considered low-performing under Section 39.132;

(B) teach or serve as a mentor or master teacher at a campus or in a program where at least 70 percent of the students are educationally disadvantaged;

(C) serve as a mentor or master teacher in a subject for which they are certified and which is designated by the Commissioner as a critical shortage area; or

(D) teach or serve in a program that is designed to provide highly qualified teachers to students that are at risk of failing or dropping out.

(e-2) Beginning with the 2006-2007 school year, in addition to the amounts specified in (c-2), each school district shall spend an amount equal to the product of \$300 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 on:

(1) additional across the board salary increases for all employees subject to the minimum salary schedule; or

(2) additional stipends, in amounts determined by the district, to encourage successful classroom teachers who hold appropriate certificates issued as provided by Subchapter B and have at least three years of classroom experience to:

(A) teach or serve as a mentor or master teacher at a campus that is considered low-performing under Section 39.132;

(B) teach or serve as a mentor or master teacher at a campus or in a program where at least 70 percent of the students are educationally disadvantaged;

(C) serve as a mentor or master teacher in a subject for which they are certified and which is designated by the Commissioner as a critical shortage area; or

(D) teach or serve in a program that is designed to provide highly qualified teachers to students that are at risk of failing or dropping out.

(f) No later than June 1, 2007, the commissioner shall adjust the factors in Subsection (a) above such that the minimum monthly salary calculated under Subsection (a) is \$320 greater than the minimum monthly salary the formula would have generated.

(3) In SECTION 3.22, on page 264, strike lines 21-26 and substitute the following:

"(b) After setting aside an appropriate amount in accordance with this section, the commissioner shall proportionately reduce each district's tier one allotment or, for a district that does not receive a Tier I allotment, increase the

district's payments under Chapter 41. A reduction in tier one allotments under this section does not affect the computation of the guaranteed amount of revenue per student per cent of tax effort under Section 42.252."

(4) On page 410, strike lines 5-20 and replace with the following:

"Sections 21.357, 25.0811(b) and (c), 29.056(h), 29.203(c) and (g), 39.023(j), 39.024(e), 39.073, 39.074, 39.112, 44.004(c) and (d) and 105.301(f)."

(5) On page 410, strike lines 19-20.

(6) To the extent that this amendment creates a cost which is not offset by an equal dollar reduction in the cost of **HB 2**, the Legislative Budget Board is directed to modify the property tax rate limitations and corresponding increase of school finance elements in order to maintain the current cost of **HB 2**.

(1) the greater of:

(A) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operation of the district, to which the district was entitled for the 2004-2005 school year under Chapter 42, or, if the district was subject to Chapter 41, the amount to which the district was entitled under that chapter, including any amounts the district received under Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); or

(B) the amount of state and local revenue per student in weighted 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 any amounts described by Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); and

(2) an amount equal to three percent of the greater of the amounts described by Subdivision (1).

(b) The amount of revenue to which a school district is entitled because of the technology allotment under Section 32.005 or the instructional materials and technology allotment under Section 42.241 is not included in making a determination under Subsection (a).

(c) 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.

SECTION 1A.14. Section 42.252(a), Subchapter E, Chapter 42, Education Code is amended to read as follows:

(a) Each school district's share of 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 when multiplied by the ratio of the actual taxable value of the property in the district for the current tax year divided by the taxable value of property in the district for the preceding tax year as determined under Subchapter M, Chapter 403, Government Code, raises \$0.86 for each hundred dollars of valuation [~~is an effective tax rate of \$0.86~~]; and

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

SECTION 1A.15. Section 42.302(a), Subchapter E, Chapter 42, Education Code is amended to read as follows:

(a) Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 42.303, is determined by the formula:

$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

where:

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

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is the quotient of the basic allotment under Section 42.101 divided by 86 [~~\$27.14~~] or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C, less any allotment to the district for transportation and [~~7~~] any allotment under Section 42.158, [~~and 50 percent of the adjustment under Section 42.102,~~] by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the school district, which is determined by multiplying the district's adopted tax rate by the ratio of the actual taxable value of the property in the district for the current tax year divided by the taxable value of property in the district for the preceding year as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, and subtracting the district's "TR" as calculated under Section 42.2521(a) [~~subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100~~]; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100.

SECTION 1A.16. Section 41.002, Chapter 41, Education Code is amended to read as follows:

Sec. 41.002. EQUALIZED WEALTH LEVEL. ~~[(a)]~~ A school district may not have a wealth per student that exceeds the wealth per student that produces the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302 [~~\$305,000~~].

SECTION 1A.17. Section 26.08, Tax Code, is amended by adding Subsections (a-1)-(a-6) and amending Subsections (i) and (k) to read as follows:

(a-1) Except as provided by Subsection (a-2), for the 2005 tax year, a school district may not impose a tax for the maintenance and operations of the district that exceeds the greater of:

(1) the rate equal to 135/150 of the rate adopted by the district for maintenance and operations for the 2004 tax year; or

(2) the rate necessary to ensure that the district receives the amount of revenue described by Sections 42.2513(a)(1) and (2), Education Code, provided that the rate may not exceed \$1.35 on the \$100 valuation of taxable property.

(a-2) Notwithstanding any other provision of law, for the 2005 tax year 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 continue to impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.15 less than the rate adopted by the district for maintenance and operations for the 2004 tax year.

(a-3) Subsections (a-1), (a-2), and this subsection expire January 1, 2006.

(a-4) Except as provided by Subsection (a-2), for the 2005 tax year, a school district may not impose a tax for the maintenance and operations of the district that exceeds the greater of:

(1) the rate equal to 130/150 of the rate adopted by the district for maintenance and operations for the 2004 tax year; or

(2) the rate necessary to ensure that the district receives the amount of revenue described by Sections 42.2513(a)(1) and (2), Education Code, provided that the rate may not exceed \$1.30 on the \$100 valuation of taxable property;

(a-5) Notwithstanding any other provision of law, for the 2005 tax year 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 continue to impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.20 less than the rate adopted by the district for maintenance and operations for the 2004 tax year.

(a-6) Subsections (a-4), (a-5), and this subsection expire January 1, 2007.

(i) For purposes of this section, the rollback tax rate of a school district is the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42 and maintenance and operations taxes of the district per student in weighted average daily attendance

for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year;

(2) the rate of \$0.04 [~~\$0.06~~] per \$100 of taxable value; and

(3) the district's current debt rate.

(k) For purposes of this section, for the [~~2003, 2004,~~] 2005, 2006, 2007, or 2008 tax year, for a school district that is entitled to state funds under Section 4(a-1), (a-2), (a-3), (a-4), (a-5), or (a-6), Article 3.50-9, Insurance Code, the rollback tax rate of the district is the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42 and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year;

(2) the tax rate that, applied to the current total value for the district, would impose taxes in the amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, permits the district to comply with Section 3, Article 3.50-9, Insurance Code;

(3) the rate of \$0.04 [~~\$0.06~~] per \$100 of taxable value; and

(4) the district's current debt rate.

Representative Chisum moved to table Amendment No. 5.

A record vote was requested.

The vote of the house was taken on the motion to table Amendment No. 5 and the vote was announced yeas 73, nays 74.

A verification of the vote was requested and was granted.

The roll of those voting yea and nay was again called and the verified vote resulted, as follows (Record 4): 75 Yeas, 74 Nays, 0 Present, not voting.

Yeas — Mr. Speaker(C); Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goodman; Goolsby; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hill; Hope; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren;

Giddings; Gonzales; Gonzalez Toureilles; Griggs; Guillen; Hamilton; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hughes; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

The speaker stated that the motion to table Amendment No. 5 prevailed by the above vote.

Amendment No. 6

Representative Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 79

Amend **HB 2** as follows:

(1) On page 6, between lines 18 and 19, insert the following:

(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 program 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 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.

(2) On page 9, line 27, strike "Except as provided by Subsection (m), funds" and substitute "Funds".

(3) On page 11, strike lines 11-15.

(4) On page 101, strike lines 17-20 and substitute the following:

Sec. 29.0164. SPECIAL EDUCATION HEARING OFFICER: CONFLICT OF INTEREST PROVISIONS. A special education hearing officer may not accept 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.

Amendment No. 7

Representative Eissler offered the following amendment to Amendment No. 6:

Amend the Eissler amendment (page 79 of the amendment packet) to **HB 2** by inserting the following new item, appropriately numbered:

() On page 11, between lines 15 and 16, insert the following:

(n) From the total amount appropriated for purposes of this section, the commissioner shall set aside an amount necessary to pay the cost of the study of the funding elements for special education required by Section 42.005(f). After setting aside funds under this subsection, the commissioner shall reduce each district's allotment in the manner provided by Section 42.313(f). This subsection expires September 1, 2007.

Amendment No. 7 was adopted.

Amendment No. 6, as amended, was adopted.

Amendment No. 8

Representative Dutton offered the following amendment to **HB 2**:

Floor Packet Page No. 81

Amend **HB 2** as follows:

(1) On page 9, line 27, strike "Except as provided by Subsection (m), funds" and substitute "Funds".

(2) On page 11, strike lines 11 through 15.

(3) On page 13, between lines 21 and 22, insert the following:

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

Amendment No. 8 was adopted.

Amendment No. 9

Representative Seaman offered the following amendment to **HB 2**:

Floor Packet Page No. 82

Amend **HB 2** as follows:

(1) On page 14, line 8, before "For" insert "(A)".

(2) On page 14, line 12, after "appropriations." insert "shall expire August 31, 2007."

(3) On page 14, line 13, insert "(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 7 through 12 completes in the following career and technology courses:

(i) Advanced Technical Credit courses as approved by a statewide advisory leadership committee for statewide articulation;

(ii) courses that lead to professional certification, licensure, degree program; or

(iii) courses designed for special education students.

Amendment No. 9 was adopted.

Amendment No. 10

Representative Giddings offered the following amendment to **HB 2**:

Floor Packet Page No. 83

Amend **HB 2**, on Page 17, strike Line 3 through Line 10, and substitute in lieu thereof the following:

Sec. 42.201. TRANSPORTATION ALLOTMENT. (a) Each school district or county operating a regular transportation system is entitled to an allotment per mile for each approved route mile traveled by the system in an amount that corresponds to the overall average daily attendance of that school district, or to the overall average daily attendance of that county, using an equitable formula to be established by the Texas Education Agency.

(b) If the amount of an allotment under this section that a school district or county receives exceeds the district's or county's true and actual cost of operating the transportation system, the district or county may use the excess funds for any legal purpose, but must report the amount of excess to the Texas Education Agency.

(Isett in the chair)

Amendment No. 11

Representative Giddings offered the following amendment to Amendment No. 10:

Amend FLOOR AMENDMENT No. 10 to **HB 2**, by striking Line 3 through Line 11 of that FLOOR AMENDMENT, and substituting in lieu thereof the following:

Sec. 42.201. TRANSPORTATION ALLOTMENT. (a) Subject to Subsection (b), a school district is entitled to a transportation allotment in an amount determined by whichever of the following formulas results in the greatest allotment:

(1) $TA = ADA \times 100$; or

(2) $TA = ADA \times 100 \times (DMS/ADMS)$

where:

"TA" is the allotment to which the district is entitled;

"ADA" is the number of students in average daily attendance in the district;

"DMS" is the district number of square miles per student in average daily attendance, which is computed by dividing the number of square miles in the district by the number of students in average daily attendance in the district; and

"ADMS" is the average district number of square miles per student in average daily attendance, which is computed by dividing the sum of each school district's number of square miles per student in average daily attendance by the number of districts in the state.

(b) A school district may not receive a transportation allotment that exceeds \$1,000 per student in average daily attendance.

Sec. 42.202. TRANSPORTATION ALLOTMENT FOR TEXAS SCHOOL FOR THE DEAF. The Texas School for the Deaf is entitled to an allotment under this subchapter. The commissioner shall determine the appropriate allotment.

Sec. 42.203. USE OF TRANSPORTATION ALLOTMENT. A school district is not required to use funds allotted under this subchapter in providing transportation services.

Amendment No. 11 was adopted.

Amendment No. 10 - Point of Order

Representative Hupp raised a point of order against further consideration of Amendment No. 10 on the grounds that the amendment violates the Committee on Calendars rule adopted on June 27.

The point of order was withdrawn.

Amendment No. 10, as amended, was withdrawn.

Amendment No. 12

Representatives Hardcastle, Delisi, Kolkhorst, Bonnen, Morrison, and Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 85

Amend **HB 2** as follows:

(1) On page 17, between lines 10 and 11, insert the following:

(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 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 Subsection 42.302(e).

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

(2) On page 22, between lines 16 and 17, insert the following:

(d) If the index value provided by this section for a school district is less than the index value used to calculate the cost of education 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.

(3) On page 23, line 9, strike ".0004" and substitute ".000424".

(4) On page 23, between lines 9 and 10, insert the following:

(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:

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

(5) On page 23, line 15, strike ".00025" and substitute ".000265".

(6) On page 23, between lines 15 and 16, insert the following:

(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:

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

(7) On page 23, line 24, strike ".000025" and substitute ".0000265".

(8) On page 23, between lines 24 and 25, insert the following:

(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

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

(9) On page 23, between lines 24 and 25, insert the following:

(e) In addition to the adjustment otherwise provided by this section, the commissioner shall, in accordance with rules adopted by the commissioner, 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), (d-1), and this subsection expire September 1, 2006.

Amendment No. 12 was adopted.

Amendment No. 13

Representative Geren offered the following amendment to **HB 2**:

Floor Packet Page No. 102

Amend **HB 2** by striking page 48, line 27, through page 50, line 17, and substituting the following:

Sec. 41.091. AGREEMENT. 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 42.306 and the district's tier one allotment under Section 42.304 [~~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~~].

Representative Branch moved to table Amendment No. 13.

A record vote was requested.

The vote of the house was taken on the motion to table Amendment No. 13 and the vote was announced yeas 75, nays 71.

A verification of the vote was requested and was granted.

The roll of those voting yea and nay was again called and the verified vote resulted, as follows (Record 5): 76 Yeas, 71 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eiland; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hunter; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Reyna; Riddle; Seaman; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Brown, F.; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hughes; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent — Menendez.

The speaker stated that the motion to table Amendment No. 13 prevailed by the above vote.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 5. I intended to vote no.

J. Keffer

When Record No. 5 was taken, I was in the house but away from my desk. I would have voted no.

Menendez

I was shown voting yes on Record No. 5. I intended to vote no.

Pitts

Amendment No. 14

Representative McReynolds offered the following amendment to **HB 2**:
Floor Packet Page No. 103

Amend **HB 2** on page 49 line 10 as follows:

between "to" and "the" insert: "the sum of the district's per capita distribution from the available school fund under Section 43.016 and"

Amendment No. 15

Representative McReynolds offered the following amendment to Amendment No. 14:

Amend amendment No. 14 by McReynolds to **HB 2** as follows:

(1) On page 1, line 1 of the amendment, before "Amend", insert "(1)".

(2) Add the following appropriately numbered item to the amendment:

() Amend **HB 2** on page 49, between lines 17 and 18, by inserting the following:

(b-1) The commissioner shall use any revenue generated under Subsection (b) that is derived from a school district's per capita distribution from the available school fund for the purpose of funding new projects under Subchapter A, Chapter 46.

Amendment No. 15 was adopted.

Representative Branch moved to table Amendment No. 14.

A record vote was requested.

The motion to table prevailed by (Record 6): 75 Yeas, 70 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eiland; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hill; Howard; Hunter; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Merritt; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hochberg; Hodge; Homer; Hope; Hopson; Hughes; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds;

Menendez; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent — Hilderbran; Miller; Straus.

STATEMENTS OF VOTE

When Record No. 6 was taken, my vote failed to register. I would have voted no.

Hilderbran

When Record No. 6 was taken, my vote failed to register. I would have voted yes.

Miller

When Record No. 6 was taken, I was temporarily out of the house chamber. I would have voted yes.

Straus

HB 2 - POINT OF ORDER

Representative Y. Davis raised a point of order against further consideration of **HB 2** under Rule 4, Section 32(c)(2) and (3) of the House Rules on the grounds that the bill analysis does not include a rulemaking authority statement.

The speaker overruled the point of order.

Amendment No. 16

Representative Martinez offered the following amendment to **HB 2**:
Floor Packet Page No. 105

Amend **HB 2** as follows:

(1) On page 54, line 17, strike "(a-1)-(a-8)" and substitute "(a-1)-(a-9)".
 (2) On page 54, line 24, strike "or (a-5)," and substitute "(a-5), or (a-6),".
 (3) On page 55, line 9, strike "or (a-5)," and substitute "(a-5), or (a-6),".
 (4) On page 57, between lines 23 and 24, insert the following:
(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.

(5) On page 57, line 24, strike "(a-6)" and substitute "(a-7)".

(6) On page 58, line 1, strike "(a-7)" and substitute "(a-8)".

(7) On page 58, line 6, strike "(a-8)" and substitute "(a-9)".

(8) On page 58, line 6, strike "(a-7)," and substitute "(a-8),".

(Geren in the chair)

Amendment No. 16 was adopted.

Amendment No. 17

Representative Alonzo offered the following amendment to **HB 2**:

Floor Packet Page No. 109

Amend **HB 2** as follows:

(1) On page 65, line 14, after the period, insert "among diverse student populations".

(2) On page 65, strike line 17, and substitute the following:
course work that focuses on:

(1) providing instruction in schools with ethnic and racial diversity and school dropout prevention strategies among diverse student populations; and

(2) management and business training.

Amendment No. 18

Representative Alonzo offered the following amendment to Amendment No. 17:

Amend the Alonzo amendment to **HB 2** (amendment packet, page 109) by striking Item (2) of the amendment and substituting the following:

(2) On page 65, line 17, between "training" and the period, insert "and ethnic diversity".

Amendment No. 18 was adopted.

(Speaker in the chair)

Amendment No. 17, as amended, was adopted.

HR 21 - ADOPTED

(by Van Arsdale, Merritt, Baxter, Strama, and Naishtat)

Representative Van Arsdale moved to suspend all necessary rules to take up and consider at this time **HR 21**.

The motion prevailed.

The following resolution was laid before the house:

HR 21, Congratulating The University of Texas Longhorn baseball team for winning the 2005 NCAA College World Series Championship.

HR 21 was read and was adopted.

On motion of Representative Goolsby, the names of all the members of the house were added to **HR 21** as signers thereof.

INTRODUCTION OF GUESTS

The speaker recognized Representative Van Arsdale who introduced players and coaches of The University of Texas Baseball team, winners of the 2005 NCAA College World Series Championship.

Coach Augie Garrido briefly addressed the house.

HB 2 - (consideration continued)

Amendment No. 19

Representative J. Keffer offered the following amendment to **HB 2**:

Floor Packet Page No. 116

Amend **HB 2** by striking section 2A.03 (pg 67, line 17 through pg 69, line 5) in its entirety and by renumbering the remaining sections accordingly.

Representative Eissler moved to table Amendment No. 19.

The motion to table was lost.

(Chisum in the chair)

A record vote was requested.

Amendment No. 19 was adopted by (Record 7): 78 Yeas, 67 Nays, 2 Present, not voting.

Yeas — Allen, A.; Alonzo; Anchia; Bailey; Blake; Brown, F.; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Guillen; Hamilton; Hardcastle; Herrero; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Hunter; Jones, J.; Keffer, J.; King, T.; Kolkhorst; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Seaman; Smith, T.; Smithee; Solis; Strama; Turner; Uresti; Veasey; Villarreal; Vo.

Nays — Allen, R.; Anderson; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Callegari; Campbell; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Haggerty; Hamric; Harper-Brown; Hartnett; Hegar; Howard; Hughes; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; King, P.; Krusee; Kuempel; Laubenberg; Madden; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Reyna; Riddle; Smith, W.; Solomons; Straus; Swinford; Talton; Taylor; Thompson; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker; Chisum(C).

Absent — Dawson; Eiland.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 7. I intended to vote no.

Hill

I was shown voting yes on Record No. 7. I intended to vote no.

Seaman

Amendment No. 20

Representative Oliveira offered the following amendment to **HB 2**:

Floor Packet Page No. 120

Amend **HB 2** as follows:

Strike Sections 2A.04, page 69, line 6, through 2A.09, page 73, line 16.
Strike Section 2A.17 on page 83, lines 8 through 17.

Add a new Section 2A.04 to read as follows:

SECTION 2A.04. Section 21.207(b), Education Code, is amended to read as follows:

(b) The hearing must be conducted in accordance with rules adopted by the board. 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 law before the board makes a final decision on the proposed nonrenewal. The board may use the process established under Subchapter F.

Amendment No. 20 was adopted.

Amendment No. 21

Representative Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 126

Amend **HB 2** on page 76, between lines 21 and 22, by inserting the following appropriately numbered SECTION and renumbering existing SECTIONS of Part A, Article 2, of the bill accordingly:

SECTION 2A. ____. Section 21.407, Education Code, is amended by adding Subsection (c) to read as follows:

(c) The board of trustees or administrative staff of a school district may not afford a privilege to an employee organization that is not afforded to other employee organizations affiliated with a corporation incorporated under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) or Chapter 22, Business Organizations Code.

Amendment No. 22

Representative Naishtat offered the following amendment to Amendment No. 21:

Amend Floor Amendment No. 21 by Eissler in the floor packet, page 126, to **HB 2**, by striking lines 10 through 12 of that Floor Amendment and inserting the following in its place:

" , except those privileges that may be provided pursuant to district policy."

Amendment No. 22 was withdrawn.

Amendment No. 21 was withdrawn.

Amendment No. 23

Representative McReynolds offered the following amendment to **HB 2**:

Floor Packet Page No. 130

Amend **HB 2** (79S) as follows:

(1) In SECTION 2A.13 of the bill (line 25, page 78), insert subsection (c)(1)(C) as follows:

"(C) receive appropriate certification to teach in a curriculum subject area in which the district is experiencing a shortage of qualified teachers; or"

Amendment No. 23 was adopted.

Amendment No. 24

Representative Herrero offered the following amendment to **HB 2**:

Floor Packet Page No. 131

Amend **HB 2**, beginning on line 6, page 78, by striking Section 2A.13 in its entirety and by renumbering the remaining sections accordingly.

(Speaker in the chair)

Representative Delisi moved to table Amendment No. 24.

A record vote was requested.

The motion to table prevailed by (Record 8): 73 Yeas, 68 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goodman; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Keel; Keffer, B.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Farabee; Farrar; Flores; Gallego; Geren; Giddings; Gonzales; Gonzalez Tourelles; Griggs; Guillen; Hamilton; Hegar; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent — Bailey; Escobar; Frost; Goolsby; Jones, D.; Keffer, J.; McCall.

STATEMENTS OF VOTE

When Record No. 8 was taken, I was in the house but away from my desk. I would have voted no.

Bailey

When Record No. 8 was taken, I was in the house but away from my desk. I would have voted no.

Escobar

When Record No. 8 was taken, I was in the house but away from my desk. I would have voted no.

Frost

When Record No. 8 was taken, I was in the house but away from my desk. I would have voted no.

D. Jones

I was shown voting yes on Record No. 8. I intended to vote no.

Kolkhorst

Amendment No. 25

Representative Dutton offered the following amendment to **HB 2**:

Floor Packet Page No. 132

Amend **HB 2** on page 79, between lines 7 and 8, by inserting the following:

Sec. 21.6511. APPLICABILITY. (a) This subchapter applies only to a school district that contains one or more campuses considered to be academically unacceptable under Section 39.132 for the preceding school year.

(b) A school district may make an incentive payment under this subchapter only to an employee assigned to a campus considered academically unacceptable under Section 39.132.

Representative Delisi moved to table Amendment No. 25.

The motion to table prevailed.

Amendment No. 26

Representative Gallego offered the following amendment to **HB 2**:

Floor Packet Page No. 101

Amend **HB 2**, as follows:

(1) Strike SECTION 2A.13, Educator Excellence Incentive Program.

(2) On page 25, line 23; amend Section 42.3051 by inserting a new subsection (b) to read as follows, and renumbering subsequent subsections accordingly:

Sec. 42.3051. PROFESSIONAL STAFF SALARIES AND ADDITIONAL STATE AID.

(b) A school district each school year shall pay each 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 \$500. A payment under this subsection is in addition to the wages the district would otherwise pay the employee during the school year.

(Phillips in the chair)

Amendment No. 27

Representative Gallego offered the following amendment to Amendment No. 26:

Amend Floor Amendment No. 26 by Gallego by striking Items (1) and (2) of the amendment and substituting the following:

(1) On page 25, line 16, strike "PROFESSIONAL".

(2) On page 25, between lines 22 and 23, insert the following:

(a-1) Beginning with the 2005-2006 school year, a school district shall provide each district employee, other than an administrator or an employee subject to the minimum salary under Section 21.402, an amount at least equal to \$500. A payment under this subsection is in addition to the wages the district would otherwise pay the employee during the school year.

(3) Strike SECTION 2A.13 of the bill (page 78, line 6, through page 80, line 17) and renumber subsequent SECTIONS of the bill accordingly.

(4) Strike page 274, lines 26 and 27, and substitute the following:

(10) amounts received under Section 42.3051(a-1), Education Code

Amendment No. 27 was adopted.

(Speaker in the chair)

Representative Delisi moved to table Amendment No. 26.

A record vote was requested.

The motion to table prevailed by (Record 9): 79 Yeas, 66 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Flynn; Gattis; Goodman; Griggs; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Merritt; Miller; Mowery; Nixon; Orr; Otto; Paxton; Phillips; Pitts; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent — Elkins; Goolsby; Morrison.

STATEMENT OF VOTE

I was shown voting yes on Record No. 9. I intended to vote no.

Merritt

Amendment No. 28

Representative Homer offered the following amendment to **HB 2**:

Floor Packet Page No. 127

Amend **HB 2** by Grusendorf by striking SECTION 2A.13 in its entirety, beginning on page 78, line 6 and continuing through page 80, line 17, and substituting it with the following text:

SECTION 2A.13. Subchapter H, Chapter 21, Education Code, is amended by adding Section 21.358 to read as follows:

Sec. 21.358. LEARNING ENHANCEMENT AWARD PROGRAM (LEAP) FOR PUBLIC SCHOOL EMPLOYEES. (a) The commissioner shall establish the Learning Enhancement Award Program to encourage school districts to reward those employees who make outstanding contributions at the local level to the enhancement of student learning. Each school district shall develop a local incentive plan for distributing incentive payments to qualifying employees under the Learning Enhancement Award Program and shall submit the plan to the commissioner for approval.

(b) A local incentive plan developed under this section shall include learning enhancement goals and priorities established annually by the school district through meetings and discussions with classroom teachers and administrators at each campus in the district. The local incentive plan shall delineate specific criteria for awarding incentive payments to individual employees and shall demonstrate the relationship between those criteria and each of the learning enhancement goals in the plan. The criteria for awarding incentive payments may include indicators of employee performance, such as teacher evaluations conducted by principals, peer reviews and objective measures of student achievement.

(c) The local incentive plan developed under this section must be approved by the district-level planning and decision-making committee, as well as the commissioner.

(d) From funds appropriated for purposes of this section, the commissioner shall award grants to each school district that has developed an approved local incentive plan. The commissioner shall distribute the grant payments each year to qualifying school districts on the basis of the district's actual average daily attendance for the preceding school year. The total amount of grant payments made to school districts under this section from funds appropriated for the Learning Enhancement Award Program may not exceed \$50 million each fiscal year.

(d-1) The commissioner may not award grant payments to school districts under this section before the 2006-2007 school year. This subsection expires September 1, 2007.

(e) Each year a school district shall use grant funds received under this section to provide incentive payments to individual employees who have contributed to the advancement or fulfillment of the learning enhancement goals established by the district in its local incentive plan. The district-level planning and decision-making committee shall determine the appropriate distribution of funds received by the district under this section, in accordance with subsections (f) and (g) and the criteria established in the local incentive plan.

(f) At least 50% of the grant funds received by a district under this section shall be used to pay incentives to employees in any of the following categories:

(1) Experienced teachers who are serving as trained mentors to beginning teachers in the same school district, in accordance with a state-approved mentoring program, such as the Texas Beginning Educator Support System (TxBESS);

(2) Teachers who are certified in and teaching in a curriculum subject area in which the district is experiencing a shortage of qualified teacher as determined by the commissioner;

(3) Teachers who are assigned to teach full-time at a campus that is difficult to staff, as determined by the commissioner, including a rural or academically unacceptable campus; and

(4) Employees who, as determined by the district, have assisted a campus in overcoming an extraordinary or unexpected hardship that is believed to have detrimentally affected student learning at the campus.

(g) Not more than 50% of the funds received under this section may be used to pay incentives to full-time classroom teachers whose students demonstrate outstanding achievements and/or improvements in scholarship, as delineated in criteria in the local incentive plan.

(h) Using funds appropriated for purposes of this section, the commissioner shall adopt rules necessary to implement this section. In adopting rules, the commissioner shall include criteria and guidelines for evaluating and approving local incentive plans and shall promote flexibility in the design of local incentive plans.

(i) The commissioner shall annually evaluate the effectiveness of the Learning Enhancement Award Program at each participating campus. The evaluation must consider:

(1) the performance of the district's students on assessment instruments administered under Section 39.023;

(2) the district's high school graduation and completion rates;

(3) the district's teacher attrition rates;

(4) the accountability ratings of the district; and

(5) the district's success in closing performance gaps between educationally disadvantaged students and other populations of students.

(j) A school district shall include the following information in employment contract:

(1) that qualifying employees may qualify for and receive incentive payments under the Learning Enhancement Award Program (LEAP); and

(2) that incentive payments awarded under the Learning Enhancement Award Program (LEAP) are considered bonuses and are not an entitlement as part of an employee's salary.

(k) A school district's decision to provide an incentive payment under the Learning Enhancement Award Program is final and may not be appealed.

Amendment No. 29

Representative Homer offered the following amendment to Amendment No. 28:

Amend Amendment No 28 by Homer to **HB 2** (amendment packet, page 127) as follows:

(1) On page 1, line 17, strike "individual" and substitute "campuses to distribute to".

(2) Strike page 1, lines 24 through 29, and substitute the following:

(d) Each year a school district shall 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 section.

(3) Strike page 2, lines 1 and 2.

(4) On page 2, line 3, strike "use grant funds received under this section to".

(5) On page 2, line 4, between "to" and "individual", insert "campuses and".

(6) On page 2, line 7, strike "received by the district".

(7) On page 2, line 9, strike "grant".

(8) On page 2, line 9, strike "received by a district".

(9) On page 2, line 23, strike "received".

(10) On page 2, line 26, strike "Using funds appropriated for purposes of this section, the" and substitute "The".

Amendment No. 29 was withdrawn.

Amendment No. 28 - Point of Order

Representative Grusendorf raised a point of order against further consideration of Amendment No. 28 on the grounds that it violates the Committee on Calendars rule adopted on June 27.

The speaker sustained the point of order.

The ruling precluded further consideration of Amendment No. 28.

Amendment No. 30

Representative Chavez offered the following amendment to **HB 2**:
Floor Packet Page No. 133

Amend **HB 2** as follows:

In SECTION 2B.04 of the bill, in added Section 7.008, Education Code (page 88, between lines 23 and 24), insert a new subsection (e) as follows and reletter the following subsections accordingly:

(e) the electronic student records system shall 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.

Amendment No. 30 was adopted.

Amendment No. 31

Representative Chavez offered the following amendment to **HB 2**:

Floor Packet Supplement

Amend **HB 2** as follows:

(1) In SECTION 2B.16 of the bill, in added Section 29.0162, Education Code (page 100, line 16), between "information" and "concerning" insert "in English and Spanish".

(2) In SECTION 2C.05 of the bill, in added Section 11.1511, Education Code (page 106, line 16), insert a new sentence at the end of subsection (a) to read as follows:

The Internet website notice must be provided in English and Spanish and any additional language authorized by the school district.

(3) In SECTION 2D.01 of the bill, in added Section 7.0071, Education Code (page 121, line 19), between "available" and "," insert "in English and Spanish".

(4) In SECTION 2D.01 of the bill, in added Section 7.010, Education Code (page 122, line 24), between "be" and "accessible" insert "provided in English and Spanish and shall be".

(5) In SECTION 2D.30 of the bill, in Section 39.072, Education Code (page 158, line 3), insert a new sentence at the end of subsection (f) to read as follows:

The notice must be provided in English and Spanish and any additional language authorized by the commissioner.

Amendment No. 31 was adopted.

Amendment No. 32

Representative Hill offered the following amendment to **HB 2**:

Floor Packet Page No. 135

Amend **HB 2** as follows:

(1) On page 103, line 22, through page 105, line 7, strike SECTION 2C.02, and renumber the remaining SECTIONS of PART C appropriately.

(2) Strike page 107, line 22, through page 108, line 5, and substitute the following:

~~[(a) A]~~ The commissioner or the agency may not adopt a rule that prohibits a school district from beginning [may not begin] instruction for students for a school year before a specific day or ending instruction for students for a school year after a specific day [the week in which August 21 falls. For purposes of this subsection, Sunday is considered the first day of the week].

Amendment No. 32 - Point of Order

Representative McClendon raised a point of order against further consideration of Amendment No. 32 on the grounds that it violates the Committee on Calendars rule adopted on June 27.

The point of order was withdrawn.

Amendment No. 32 was withdrawn.

Amendment No. 33

Representative Giddings offered the following amendment to **HB 2**:

Floor Packet Page No. 136

Amend **HB 2** as follows:

On page 105 of the bill, strike all of Section 2C.03.

Representative Denny moved to table Amendment No. 33.

A record vote was requested.

The motion to table was lost by (Record 10): 69 Yeas, 77 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Berman; Bohac; Branch; Brown, B.; Brown, F.; Cook, B.; Cortez; Crabb; Crownover; Davis, J.; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Guillen; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Phillips; Pickett; Pitts; Reyna; Riddle; Seaman; Smith, W.; Smithee; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Baxter; Blake; Bonnen; Burnam; Callegari; Campbell; Casteel; Castro; Chavez; Chisum; Coleman; Cook, R.; Davis, Y.; Dawson; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Solis; Solomons; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent — Keffer, J.; Straus.

A record vote was requested.

The vote of the house was taken on the adoption of Amendment No. 33 and the vote was announced yeas 73, nays 75.

A verification of the vote was requested and was granted.

The roll of those voting yea and nay was again called and the verified vote resulted, as follows (Record 11): 72 Yeas, 76 Nays, 0 Present, not voting.

Yeas — Allen, A.; Alonzo; Anchia; Blake; Bonnen; Burnam; Callegari; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Dawson; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Guillen; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Smithee; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Nays — Mr. Speaker(C); Allen, R.; Anderson; Bailey; Baxter; Berman; Bohac; Branch; Brown, B.; Brown, F.; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Phillips; Pitts; Reyna; Riddle; Seaman; Smith, W.; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Absent — Menendez.

The speaker stated that Amendment No. 33 failed of adoption by the above vote.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business in the district:

Menendez on motion of Homer.

HB 2 - (consideration continued)

Amendment No. 34

Representative Giddings offered the following amendment to **HB 2**:

Floor Packet Page No. 137

Amend **HB 2**, on Page 105, Line 17, by striking "even-numbered" and substituting "odd-numbered".

Representative Denny moved to table Amendment No. 34.

A record vote was requested.

The motion to table prevailed by (Record 12): 84 Yeas, 62 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Bailey; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Campbell; Casteel; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Geren; Goodman; Goolsby; Grusendorf; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Phillips; Pitts; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Burnam; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Giddings; Gonzales; Gonzalez Tourelles; Griggs; Guillen; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

Absent — Callegari.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 12. I intended to vote no.

Gattis

I was shown voting yes on Record No. 12. I intended to vote no.

Hilderbran

Amendment No. 35

Representative Casteel offered the following amendment to **HB 2**:

Floor Packet Page No. 110

Amend **HB 2** by Grusendorf as follows:

(1) Delete SECTION 2A.02 in its entirety, beginning on page 66, line 22 and continuing through page 67, line 16, and renumber subsequent sections of the bill accordingly.

(2) Amend SECTION 2F.01 as follows:

On page 226, line 20, strike the word "commissioner" and substitute the word "board"

On page 226, line 22, strike the word "commissioner" and substitute the word "board"

On page 226, line 26, strike the word "commissioner" and substitute the word "board"

On page 227, line 6, strike the word "commissioner" and substitute the word "board"

(3) Amend SECTION 2F.02 by striking lines 8-16 on page 228 and substituting the following text:

"(b) The board may not require more than 18 semester credit hours of education courses at the baccalaureate level for the granting of a teaching certificate. The board shall provide for a minimum number of semester credit hours of internship to be included in the hours needed for certification. The board may propose rules requiring additional credit hours for certification in bilingual education, dual language instruction, English as a second language, early childhood education, or special education."

(4) In SECTION 2F.05, amend page 229, line 10, by striking the word "commissioner" and substituting the word "board"

(5) Amend SECTION 2F.10, on page 237, line 13, by striking the words "commissioner of education" and substituting "Educators' Professional Practices Board"

(6) Amend SECTION 2J.02 on page 247 by striking lines 26-27 and substituting the following text:

"(c) The board shall propose a rule adopting a fee for:"

(7) Amend SECTION 2J.04 on page 249 by striking lines 12-13 in their entirety.

(8) In SECTION 2J.05, amend page 249, line 22, by inserting "or the Educators' Professional Practices Board" after the word "agency"

(9) Amend SECTION 7.02 as follows:

On page 372, line 7, insert ", the Educators' Professional Practices Board," after the word "agency"

On page 372, line 15, insert ", the Educators' Professional Practices Board," after the word "agency"

On page 372, line 22, insert "and the Educators' Professional Practices Board" after the word "education"

On page 373, line 1, insert ", the Educators' Professional Practices Board," after the word "agency"

On page 373, line 7, insert ", the Educators' Professional Practices Board," after the word "agency"

(10) Amend SECTION 7.03 as follows:

On page 373, line 25, strike the word "commissioner" and substitute the word "board"

On page 374, line 27, strike the word "commissioner" and substitute the word "board"

On page 375, line 1, strike the word "commissioner" and substitute the word "board"

On page 375, line 8, strike the word "commissioner" and substitute the word "board"

On page 375, lines 12-13, strike "acting on a recommendation of the commissioner," after the word "board"

On page 375, line 16, strike the word "commissioner" and substitute the word "board"

On page 375, strike lines 19-21 in their entirety.

(11) Delete SECTION 7.035 in its entirety, beginning on page 375, line 22 and continuing through page 376, line 1, and renumber subsequent sections of the bill accordingly.

(12) Amend SECTION 7.04 as follows:

On page 376, line 2, insert "(a)" after "Sections 21.031"

On page 376, strike lines 4 through 17 and substitute the following text:

"Sec. 21.031. PURPOSE. (a) The Educators' Professional Practices [State] Board [for Educator Certification] is established in the agency to recognize public school educators as professionals and to grant educators the authority to govern the standards of their profession. The board shall regulate and oversee all aspects of the certification, continuing education, and standards of conduct of public school educators."

(13) Amend SECTION 7.08 as follows:

On page 379, line 15, strike the word "commissioner" and substitute the word "board"

On page 379, line 22, strike the word "commissioner" and substitute the word "board"

On page 379, line 27, strike the word "commissioner" and substitute the word "board"

On page 380, line 2, strike the word "commissioner" and substitute the word "board"

On page 380, line 10, strike the word "commissioner" and substitute the word "board"

(14) Delete SECTION 7.09 and SECTION 7.10 in their entirety, beginning on page 380, line 11 and continuing through page 381, line 27, and renumber subsequent sections of the bill accordingly.

(15) Amend SECTION 7.11 as follows:

On page 382, strike line 1 in its entirety and substitute "SECTION 7.11. Section 21.045(d), Education Code, is"

On page 382, strike lines 3 through 23 in their entirety.

On page 382, line 24, strike the word "commissioner" and substitute the word "board"

On page 383, line 2, strike the word "commissioner" and substitute the word "board"

On page 383, line 5, strike the word "commissioner" and substitute the word "board"

(16) Delete SECTION 7.12 and SECTION 7.13 in their entirety, on page 383, beginning at line 7 and continuing through line 26, and renumber subsequent sections of the bill accordingly.

(17) Amend SECTION 7.14 of the bill as follows:

On page 383, strike line 27 in its entirety.

On page 384, strike line 1 in its entirety and substitute "SECTION 7.14. Section 21.049(b), Education Code, is amended to read as follows:"

On page 384, strike lines 2 through 27

Strike pages 385, 386, 387 and 388 in their entirety.

On page 389, strike lines 1 through 14 in their entirety.

On page 389, line 15, strike the word "commissioner" and substitute the word "board"

(18) Delete SECTION 7.15, SECTION 7.16, SECTION 7.17, SECTION 7.18, SECTION 7.19, and SECTION 7.20 in their entirety, beginning on page 389, line 22 and continuing through page 391, line 26, and renumber subsequent sections of the bill accordingly.

(19) In SECTION 7.21, amend page 392, lines 2-3, by striking "and recommendation by the commissioner"

(20) In SECTION 7.22, amend page 392, lines 13-14, by striking "and recommendation by the commissioner"

(21) In SECTION 7.23, amend page 392, lines 25-26, by striking "and recommendation by the commissioner"

(22) Amend SECTION 7.24 on page 393, by striking lines 23-24 in their entirety and substituting "jointly prescribed by the agency and the [State] Educators' Professional Practices Board [~~for Educator Certification~~]."

(23) Amend SECTION 7.25 on page 393, by striking line 27 and substituting "(b) The agency and the [State] Educators' Professional Practices Board [~~for Educator~~]"

(24) Amend SECTION 7.26 on page 394, by striking lines 10-11 and substituting "education approved by the [State] Educators' Professional Practices Board [~~for Educator Certification~~];"

(25) Amend SECTION 7.27 as follows:

On page 395, line 5, strike the word "commissioner" and substitute the word "board"

On page 395, line 16, strike the word "commissioner" and substitute the word "board"

On page 395, line 23, strike the word "commissioner" and substitute the word "board"

On page 395, line 26, strike the word "agency" and substitute the word "board"

On page 396, line 10, strike the word "commissioner" and substitute the word "board"

On page 396, line 12, strike the word "commissioner" and substitute the word "board"

(26) Amend SECTION 7.29 on page 397, line 3 by striking the word "agency" and substituting the word "board"

(27) Amend SECTION 7.31 on page 398 as follows:

In lines 2, 8, and 10, strike each instance of the word "commissioner" and substitute each instance with the word "board"

In line 20, strike the word "agency" and substitute the word "board"

(28) Amend SECTION 7.32 on page 399 as follows:

In lines 1, 9, 12 and 16, strike each instance of the word "commissioner" and substitute each instance with the word "board"

(29) Amend SECTION 7.33 on page 400, lines 4-5, by striking the phrase "on recommendation of the commissioner"

(30) Amend SECTION 7.34 on page 400, line 11, by striking the phrase "commissioner of education" and substituting the phrase "Educators' Professional Practices Board"

(31) Amend SECTION 7.36 on page 401, line 16, by striking the word "commissioner" and substituting the phrase "Educators' Professional Practices Board"

Amendment No. 36

Representative Casteel offered the following amendment to Amendment No. 35:

Amend Amendment No. 35 by Casteel to **HB 2** (amendment packet, page 110) by striking items (9) through (31) of the amendment and substituting the following:

(9) Strike ARTICLE 7 of the bill and substitute the following:

ARTICLE 7. STATE BOARD FOR EDUCATOR CERTIFICATION

SECTION 7.01. Section 21.035, Education Code, as amended by **HB 1116**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 21.035. APPLICATION OF SUNSET ACT. The board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this subchapter expires September 1, 2007 [The Texas Education Agency shall provide the board's administrative functions and services].

SECTION 7.02. Subchapter B, Chapter 21, is amended by adding Section 21.039 to read as follows:

Sec. 21.039. EXECUTIVE DIRECTOR; PERSONNEL. The board shall employ an executive director. The executive director shall:

- (1) perform 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.

Amendment No. 36 was adopted.

Amendment No. 35, as amended, was adopted.

Amendment No. 37

Representative Hill offered the following amendment to **HB 2**:
Floor Packet Page No. 150

Amend **HB 2** as follows:

(1) On page 106, lines 9 to 20 by striking Sec. 2C.05 and renumbering the subsequent sections appropriately.

(2) On page 115, line 25 to page 116 line 12 by striking Sec. 2C.13 and renumbering the subsequent sections appropriately.

(3) On page 116, lines 13 to 27 by striking Sec. 2C.14 and renumbering the subsequent sections appropriately.

(4) On page 117, lines 1 to 13 by striking Sec. 2C.15 and renumbering the subsequent sections appropriately.

(5) On page 119, lines 3 to 15 by striking Sec. 2C.19 and renumbering the subsequent sections appropriately.

(6) On page 119, line 16 to page 120 line 3 by striking Sec. 2C.20 and renumbering the subsequent sections appropriately.

(7) On page 265, line 19 to page 267 line 9 by striking Sec. 3.24 and renumbering the subsequent sections appropriately.

Representative Taylor moved to table Amendment No. 37.

(Rose in the chair)

A record vote was requested.

The motion to table was lost by (Record 13): 53 Yeas, 91 Nays, 2 Present, not voting.

Yeas — Berman; Bonnen; Branch; Brown, F.; Callegari; Campbell; Corte; Crabb; Crownover; Davis, J.; Dawson; Denny; Eiland; Eissler; Elkins; Flynn; Grusendorf; Haggerty; Hamric; Harper-Brown; Hartnett; Hilderbran; Hochberg; Homer; Hope; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; King, P.; Kuempel; Laubenberg; Madden; McCall; Morrison; Nixon; Orr; Otto; Paxton; Pickett; Pitts; Riddle; Seaman; Smithee; Solomons; Talton; Taylor; Truitt; Wong; Woolley; Zedler.

Nays — Allen, A.; Allen, R.; Alonzo; Anchia; Anderson; Bailey; Baxter; Blake; Bohac; Brown, B.; Burnam; Casteel; Castro; Chavez; Chisum; Coleman; Cook, B.; Cook, R.; Davis, Y.; Delisi; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Goolsby; Griggs; Guillen; Hamilton; Hardcastle; Hegar; Herrero; Hill; Hodge; Hopson; Howard; Hughes; Hunter; Jones, J.; King, T.; Kolkhorst; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Merritt; Miller; Moreno, P.; Mowery; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Puente; Quintanilla; Raymond; Reyna; Ritter; Rodriguez; Smith, T.; Smith, W.; Solis; Strama; Straus; Swinford; Thompson; Turner; Uresti; Van Arsdale; Veasey; Villarreal; Vo; West.

Present, not voting — Mr. Speaker; Rose(C).

Absent, Excused — Menendez.

Absent — Keffer, J.; Krusee.

Amendment No. 37 was adopted.

Amendment No. 38

Representative Hamilton offered the following amendment to **HB 2**:

Floor Packet Page No. 151

Amend **HB 2** as follows:

(1) On page 106, line 22, strike "Subsection (e)" and substitute "Subsections (e) and (f)".

(2) On page 107, between lines 1 and 2, insert the following:

(f) A school district may not pay a superintendent a salary in an amount that exceeds 400 percent of the salary of the highest paid classroom teacher in the district.

Amendment No. 38 was adopted. (Eissler and Hope recorded voting no.)

Amendment No. 39

Representative Casteel offered the following amendment to **HB 2**:

Floor Packet Page No. 152

Amend **HB 2** as follows:

Strike SECTION 2D.04, page 123, lines 19-25.

Representative Wong moved to table Amendment No. 39.

(Speaker in the chair)

A record vote was requested.

The motion to table was lost by (Record 14): 67 Yeas, 75 Nays, 1 Present, not voting.

Yeas — Anderson; Berman; Blake; Bohac; Bonnen; Branch; Brown, F.; Callegari; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pickett; Pitts; Reyna; Riddle; Seaman; Smith, W.; Solomons; Swinford; Taylor; Truitt; Van Arsdale; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Bailey; Brown, B.; Burnam; Campbell; Casteel; Castro; Chavez; Chisum; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Tourelles; Goodman; Griggs; Guillen; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Solis; Strama; Straus; Thompson; Turner; Uresti; Veasey; Villarreal; Vo; West.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

Absent — Allen, R.; Anchia; Baxter; Smithee; Talton.

STATEMENT OF VOTE

When Record No. 14 was taken, my vote failed to register. I would have voted yes.

R. Allen

A record vote was requested.

Amendment No. 39 failed of adoption by (Record 15): 72 Yeas, 75 Nays, 0 Present, not voting.

Yeas — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Haggerty; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hughes; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Puente; Quintanilla; Ritter; Rodriguez; Rose; Smith, T.; Solis; Strama; Truitt; Turner; Uresti; Veasey; Villarreal; Vo.

Nays — Mr. Speaker(C); Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goolsby; Grusendorf; Guillen; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pickett; Pitts; Raymond; Reyna; Riddle; Seaman; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Van Arsdale; West; Wong; Woolley; Zedler.

Absent, Excused — Menendez.

Absent — Thompson.

STATEMENTS OF VOTE

I was shown voting no on Record No. 15. I intended to vote yes.

Guillen

I was shown voting no on Record No. 15. I intended to vote yes.

Raymond

STATEMENT BY SPEAKER CRADDICK

The speaker submitted the following statement to the journal:

Members, the following amendments are out of order because they violate the Committee on Calendars rule. In particular, the amendments have a fiscal impact of creating a loss of revenue to the state's ability to generate revenue from sales tax collections and taxes on hotel/motel occupancy and on mixed beverages:

Amendments on pages 135 and 138 - 149 of the amendment packet, and the supplemental amendment by Phillips on page 5 of the supplemental amendment packet.

Amendment No. 40

Representative Anchia offered the following amendment to **HB 2**:

Floor Packet Page No. 155

Amend **HB 2** by striking proposed Education Code section 11.004, on page 123, lines 21 through 25, and substituting the following:

"Sec. 11.004. APPLICABILITY OF TITLE TO EXEMPLARY DISTRICTS AND CAMPUSES. A school district or campus shall be subject only to the prohibitions, restrictions, and requirements of this title that apply to a public charter district under Section 11A.052(b) pursuant to rules adopted by the commissioner if:

a) it is rated exemplary under Section 39.072; and

b) contains a student population of low socioeconomic status in excess of 80%; and

c) contains a student population of English Language Learner (ELL) in excess of 20%.

The rules may not exempt requirements of this title relating to employee rights and benefits."

(Berman in the chair)

Representative Grusendorf moved to table Amendment No. 40.

The motion to table prevailed.

Amendment No. 41

Representative B. Brown offered the following amendment to **HB 2**:

Floor Packet Page No. 160

Amend **HB 2** as follows:

(1) On page 132, line 26, strike "Subsections (a-1) and (b-1)" and substitute "Subsections (a-1), (b-1), and (e-1)".

(2) On page 137, strike the text on lines 7-18 and substitute the following:

(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) [7] every other year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection [(a), (b), (c), (e),] (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.

Amendment No. 41 was adopted.

Amendment No. 42

Representative McReynolds offered the following amendment to **HB 2**:

Floor Packet Page No. 161

Amend **HB 2** (79S) as follows:

(1) In SECTION 2D.23 of the bill, page 142, line 21, strike the word "shall" and substitute the word "may".

Amendment No. 42 was adopted.

Amendment No. 43

Representative Raymond offered the following amendment to **HB 2**:

Floor Packet Page No. 162

Amend **HB 2** as follows:

(1) On page 147, between lines 16 and 17, insert the following:

(b) 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 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.

(2) On page 147, line 17, strike "(b)" and substitute "(c)".

(3) On page 147, line 18, strike "(c)" and substitute "(d)".

Amendment No. 43 was adopted.

Amendment No. 44

Representative Dutton offered the following amendment to **HB 2**:

Floor Packet Page No. 163

Amend **HB 2** as follows:

(1) On page 147, between lines 20 and 21, insert the following appropriately numbered section and renumber the subsequent sections accordingly:

SECTION 2D.___. Effective August 1, 2006, Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.036 to read as follows:

Sec. 39.036. DIAGNOSTIC EXAMINATION FOR CERTAIN STUDENTS. (a) The commissioner shall 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.

(b) Not later than one month after a student enrolls in a public charter district, the public charter district must administer to the student the diagnostic examination adopted by the commissioner under this section.

(2) On page 148, line 4, between "(1)" and "the", insert "except as provided by Section 39.0511,".

(3) On page 151, between lines 19 and 20, insert the following appropriately numbered section and renumber the subsequent sections accordingly:

SECTION 2D. Effective August 1, 2006, Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.0511 to read as follows:

Sec. 39.0511. INDICATOR FOR CERTAIN STUDENTS. (a) The academic excellence indicator described by Section 39.051(b)(1) is not considered in determining the performance of a public charter district.

(b) In determining the performance of a public charter district, the commissioner shall consider the growth in student achievement of students enrolled at the public charter 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 (1).

Amendment No. 44 was adopted.

Amendment No. 45

Representative Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 165

Amend **HB 2** as follows:

(1) On page 150, line 19, strike "and".

(2) On page 150, line 24, strike the period and substitute "; and".

(3) On page 150, between lines 24 and 25, insert the following:

(17) the measure of reduction or increase in any disparity between educationally disadvantaged students and all other students in:

(A) performance on assessment instruments administered under Subchapter B; and

(B) high school graduation rates computed as described by Subdivision (3).

Amendment No. 45 was adopted.

Amendment No. 46

Representative Dutton offered the following amendment to **HB 2**:

Floor Packet Page No. 167

Amend **HB 2** on page 156, between lines 25 and 26, by inserting the following:

(b-1) Additional criteria in the rules for rating a school district under this section shall include consideration of the effectiveness of the district's delivery of resources from school libraries. Consideration of the effective of district delivery of library resources under this subsection must be based on whether a library is located on each campus and whether a librarian is employed by the district to staff a library at each campus.

Amendment No. 46 was withdrawn.

Amendment No. 47

Representative Dutton offered the following amendment to **HB 2**:

Floor Packet Page No. 168

Amend **HB 2** as follows:

(1) On page 170, line 24, strike "39.1324" and substitute "39.1325".

(2) On page 176, between lines 14 and 15, insert the following:

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 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.

(3) On page 176, line 15, strike "39.1324" and substitute "39.1325".

Amendment No. 47 was adopted.

Amendment No. 48

Representative Coleman offered the following amendment to **HB 2**:

Floor Packet Page No. 169

Amend **HB 2** as follows:

(1) On page 174, line 25, strike "alternative management" and substitute "whole school redesign".

(2) On page 176, line 5, strike "alternative management" and substitute "whole school redesign".

(3) On page 176, lines 9-10, strike "alternative management" and substitute "whole school redesign".

(4) On page 176, line 14, strike "alternative management" and substitute "whole school redesign".

(5) On page 177, line 2, strike "MANAGEMENT" and substitute "WHOLE SCHOOL REDESIGN".

(6) On page 177, lines 5-6, strike "alternative management under Section 39.1323(e) or (f)" and substitute "whole school redesign under this subchapter".

(7) Strike page 177, line 7, through page 180, line 13, and substitute the following:

(b) If the commissioner determines that the basis for identifying the campus as academically unacceptable is limited to a specific condition that may be remedied with targeted technical assistance from the agency, the commissioner:

(1) may provide the campus a one-year waiver under this section; and
(2) shall provide the appropriate technical assistance to remedy the specific condition.

(c) The commissioner shall require the board of trustees of a school district that includes a campus identified as academically unacceptable to develop a whole school redesign plan to correct the instructional program at the campus and to improve student performance. The commissioner shall provide technical assistance in developing the whole school redesign plan.

(d) A whole school redesign plan shall implement research-based methods demonstrated to enhance student achievement and, at a minimum, shall:

(1) prohibit instructional class sizes of more than 10 students for each teacher; and

(2) require each classroom teacher assigned to the campus to:

(A) have at least two years of teaching experience;

(B) be appropriately certified for all assigned subjects; and

(C) meet the requirements of a highly qualified teacher as provided by the No Child Left Behind Act of 2001 (Pub. L. No. 107-110).

(e) For purposes of Subsection (d)(2)(B), a classroom teacher is not appropriately certified if the teacher is an "inappropriately certified or uncertified teacher" as defined by Section 21.057.

(8) On page 183, lines 18-19, strike "the managing entities under" and substitute "a campus subject to".

Amendment No. 49

Representative Coleman offered the following amendment to Amendment No. 48:

Amend the Coleman amendment (amendment packet page 169) by striking the text of the amendment and substituting the following:

(1) On page 174, lines 25 and 26, strike "pursue alternative management of the campus as provided by Section 39.1325."

(2) On page 176, lines 5 and 6, strike "may pursue alternative management of the campus as provided by Section 39.1325, or"

(3) On page 176, lines 9 and 10, strike "or pursue alternative management under Section 39.1325"

(4) On page 176, lines 11 through 14, strike proposed Education Code subsection 39.1323(f)

(5) On page 176, line 27, through page 180, line 13, strike proposed Education Code section 39.1325 and renumber subsequent proposed sections accordingly.

(6) On page 183, lines 14 and 15, strike ":(1)"

(7) On page 183, lines 17 through 19, strike "; and (2) supervise the activities of the managing entities under Section 39.1325"

Amendment No. 49 was adopted.

Representative Eissler moved to table Amendment No. 48.

A record vote was requested.

The motion to table prevailed by (Record 16): 83 Yeas, 62 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goodman; Goolsby; Griggs; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hunter; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Merritt; Miller; Morrison; Nixon; Orr; Otto; Paxton; Phillips; Pitts; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Guillen; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Moreno, P.; Naishtat; Noriega, M.; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

Absent — Mowery; Oliveira.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 16. I intended to vote no.

Baxter

I was shown voting yes on Record No. 16. I intended to vote no.

Kolkhorst

Amendment No. 50

Representative Chavez offered the following amendment to **HB 2**:

Floor Packet Page No. 172

Amend **HB 2** as follows:

(1) On page 242, line 9, between "by" and "adding", insert "amending Subsection (b) and".

(2) On page 242, between lines 9 and 10, insert the following:

(b) A [If a] school [~~district contracts with a private entity for the operation of the] district's prekindergarten program, including a program operated by a private entity contracting with the district, [the program]~~ must at a minimum

comply with the applicable child-care licensing standards adopted by the Department of Family and Protective [and Regulatory] Services under Section 42.042, Human Resources Code. The State Board of Education shall adopt rules designed to ensure the school district's compliance with the standards.

(3) On page 247, between lines 11 and 12, insert the following appropriately numbered section in Part I, Article 2, of the bill.

SECTION 2I. __. 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.

Amendment No. 50 was adopted.

Amendment No. 51

Representative Kolkhorst offered the following amendment to **HB 2**:

Floor Packet Page No. 173

Amend **HB 2** as follows:

(1) On page 242, line 9, strike "and (f)" and substitute "(f), and (g)".

(2) On page 242, line 23, strike "state funds" and substitute "prekindergarten expansion grant program funds".

(3) On page 242, between lines 24 and 25, insert the following:

(g) All of the entities that choose to share or coordinate concerning use of a particular program site under this section shall enter into a joint memorandum of understanding. The memorandum of understanding must include the same or similar provisions required by Section 29.160(c-1).

Amendment No. 51 was adopted.

Amendment No. 52

Representative McReynolds offered the following amendment to **HB 2**:

Floor Packet Page No. 175

Amend **HB 2** by Grusendorf Sec. 11A.102 pg 292 Amend to read as follows:

The commissioner by rule shall adopt a procedure for providing notice to the following persons on receipt by the State Board of Education of an application for a charter for a public charter school under Section sec. 11A.002:

1. 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
2. each member of the legislature that represents the geographic area to be served by the proposed school, as determined by the commissioner.

Amendment No. 52 was adopted.

Amendment No. 53

Representative Veasey offered the following amendment to **HB 2**:

Floor Packet Page No. 176

Amend **HB 2**, Sec. 11A.1041, on page 294 line 4 by striking 25 and substituting the number 35, and on line 10 by striking 25 and substituting the number 35, so the subsections read:

(B) at least 35 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 (1) 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 35 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 (1) 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;

Amendment No. 53 was withdrawn.

Amendment No. 54

Representative McReynolds offered the following amendment to **HB 2**:

Floor Packet Page No. 177

Amend **HB 2** on page 317 as follows:

Delete section 11A.251(b), lines 24-27:

~~A public charter district admission policy may provide for the exclusion of a student who has a document history of a criminal offense, juvenile court adjudication, or discipline problems under Subchapter A, Chapter 37.~~

(Kolkhorst in the chair)

Amendment No. 54 was adopted.

Amendment No. 55

Representative McReynolds offered the following amendment to **HB 2**:

Floor Packet Page No. 178

Amend **HB 2** Section 11A.301, page 321 lines 21-24 as follows:

On line 23 strike the words "~~high school diploma~~" and replace with "baccalaureate degree".

Amendment No. 55 was adopted.

Amendment No. 56

Representative Turner offered the following amendment to **HB 2**:

Floor Packet Page No. 190

Amend **HB 2** in ARTICLE 2, PART C, of the bill by inserting the following appropriately numbered SECTION and renumbering the subsequent SECTIONS accordingly:

SECTION 2C. __. Chapter 4, Education Code, is amended by adding Section 4.003 to read as follows:

Sec. 4.003. COMPLIANCE WITH CERTAIN UNFUNDED STATE MANDATES NOT REQUIRED. (a) For purposes of this section:

(1) "HB 2 mandate" means a provision of a state statute amended or added by HB 2, Acts of the 79th Legislature, First Called Session, 2005, or rule adopted under a statute amended or added by HB 2, Acts of the 79th Legislature, First Called Session, 2005, that requires:

(A) school district action to implement the provisions; and

(B) an expenditure by a school district that would not have been required in the absence of the provision.

(2) "Unfunded HB 2 mandate" means an HB 2 mandate for which the legislature has not appropriated funds estimated to be sufficient to meet the state's share of financing the expenditure.

(b) The Legislative Budget Board shall conduct a study of HB 2 mandates. The study shall identify each HB 2 mandate and each unfunded HB 2 mandate.

(c) Each school district shall cooperate with the board by providing information relating to the district's cost of implementing an HB 2 mandate. At the board's request, the agency, state auditor, comptroller, and other state officers and agencies shall assist the board in conducting the study and analyzing information obtained from school districts.

(d) Not later than November 1, 2005, the board shall:

(1) prepare a certified list of each unfunded HB 2 mandate; and

(2) deliver the certified list to the secretary of state for publication in the Texas Register.

(e) A school district is not required to comply with an unfunded HB 2 mandate that appears on the certified list published under Subsection (d).

(Speaker in the chair)

Amendment No. 57

Representative Grusendorf offered the following amendment to Amendment No. 56:

Amend the Turner amendment to **HB 2** as follows:

(1) In proposed Section 4.003(b), Education Code, between "Legislative Budget Board" and "shall", insert "in cooperation with the commissioner".

(2) In proposed Sections 4.003(b) and (d)(1), Education Code, strike "each unfunded" and substitute "any unfunded".

(3) In proposed Section 4.003(e), Education Code, strike "an unfunded" and substitute "any unfunded".

Amendment No. 57 was adopted.

Amendment No. 56, as amended, was adopted.

Amendment No. 58

Representative Veasey offered the following amendment to **HB 2**:

Floor Packet Page No. 176

Amend **HB 2**, Sec. 11A.1041, on page 294 line 4 by striking 25 and substituting the number 35, and on line 10 by striking 25 and substituting the number 35, so the subsections read:

(B) at least 35 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 (1) 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 35 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 (1) 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;

Amendment No. 59

Representative Veasey offered the following amendment to Amendment No. 58:

Amend Floor Amendment No. 58 by Veasey to **HB 2** (amendment packet, page 176) as follows:

(1) On page 1, lines 2 and 3, strike "35" each place it appears and substitute "30".

(2) On page 1, lines 5 and 11, strike "35" both places it appears and substitute "30"

Amendment No. 59 was adopted.

Amendment No. 58, as amended, was adopted.

Amendment No. 60

Representative Naishtat offered the following amendment to **HB 2**:

Floor Packet Supplement

Amend **HB 2** as follows:

(1) On page 203, strike lines 18-20 and substitute the following:

(2) determine whether the essential knowledge and skills identified in the submission are covered in the student version of the instructional material, as well as in the teacher version of the instructional material.

(2) On page 204, lines 3 and 4, strike "the instructional material does not contain the essential knowledge and skills identified by the publisher" and substitute "the student version of the instructional material, as well as the teacher version of the instructional material, do not each contain the essential knowledge and skills identified by the publisher".

(3) On page 204, line 6, between "covers" and the period, insert "in both the student and teacher versions of the instructional material".

Amendment No. 60 was adopted.

Amendment No. 61

Representative Dunnam offered the following amendment to **HB 2**:

Floor Packet Page No. 192

Amend **HB 2** as follows:

(1) In ARTICLE 2, PART C, insert the following appropriately-numbered SECTION to read as follows:

"SECTION 2C. __. Chapter 322, Government Code, is amended by adding Section 322.019 and Section 322.020 to read as follows:

Sec. 322.019. UNFUNDED LEGISLATIVE MANDATES. (a) In this section, "legislative mandate" means a statutory provision enacted by the legislature that requires a political subdivision to establish, expand, or modify an activity in a way that requires an expenditure of revenue that would not have been required in the absence of the provision.

(b) On or before the September 1st following a regular session of the legislature and on or before the 90th day after the last day of a special session of the legislature, the board shall publish a list of legislative mandates for which the legislature has not provided reimbursement as provided by Subsection (c) and that were enacted by the legislature during that legislative session. By that same date the board shall:

(1) remove from the list of legislative mandates for a previous legislative session a legislative mandate:

(A) for which the legislature has provided reimbursement as provided by Subsection (c); or

(B) that is no longer in effect; and

(2) add to the list a legislative mandate from a previous legislative session for which reimbursement was provided as provided by Subsection (c) in the previous session but for which reimbursement was not provided in the most recent regular session or in any subsequent special session.

(c) A legislative mandate is considered to be a mandate for which the legislature has provided reimbursement if the legislature appropriates or otherwise provides funds for a state fiscal year, other than revenue of the political subdivision, estimated to be sufficient to meet the cost incurred by all affected political subdivisions in the fiscal year of financing the expenditure.

(d) The board shall deliver the list prepared under Subsection (b) to the secretary of state for publication in the Texas Register.

Sec. 322.020. REVIEW OF UNFUNDED LEGISLATIVE MANDATES.

(a) Before September 1 of the even-numbered year before the third anniversary of the date of enactment of a mandate identified by the board under Section 322.019, the board shall:

(1) review the legislative history of the mandate;

(2) conduct an evaluation on the benefits of the mandate and the costs of the mandate on affected political subdivisions; and

(3) present a written report to the legislature and the governor on the board's findings.

(b) During the regular session immediately following the issuance of a report under Subsection (a), the legislature by law may continue the mandate for a period not to exceed three years, by law may repeal the mandate, or may take no action on the mandate.

(2) On page 410, line 13, strike "is" and substitute "and Chapter 320, Government Code, are".

Amendment No. 61 - Point of Order

Representative Talton raised a point of order against further consideration of Amendment No. 61 on the grounds that it violates the Committee on Calendars rule adopted on June 27.

The speaker sustained the point of order.

The ruling precluded further consideration of Amendment No. 61.

Amendment No. 62

Representative Van Arsdale offered the following amendment to **HB 2**:

Floor Packet Page No. 196

Amend **HB 2** by adding the following appropriately numbered SECTIONS to Part C, Article 2, of the bill and renumbering the subsequent SECTIONS of Part C accordingly:

SECTION 2C.___. Subchapter E, Chapter 11, Education Code, is amended by adding Section 11.2011 to read as follows:

Sec. 11.2011. FILING OF FINANCIAL STATEMENT BY SUPERINTENDENT. (a) The commissioner shall adopt rules requiring a superintendent to file a verified financial statement with:

(1) the board of trustees of the district; and

(2) the agency.

(b) A financial statement filed under Subsection (a) must include the information prescribed by Section 572.023(b)(1), Government Code. The commissioner shall create a form for a superintendent to use in filing the financial statement.

(c) Section 527.026, Government Code, applies to the timeliness of filing a financial statement under this section as if the superintendent were a state officer, except that a superintendent must file any request for an extension authorized under that section with the commissioner. The commissioner shall make available to any interested person and shall place on the agency's Internet website each financial statement filed with the agency under this section.

(d) A superintendent commits an offense if the superintendent fails to file the statement required by this section. An offense under this section is a Class B misdemeanor.

SECTION 2C.___. Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.047 to read as follows:

Sec. 44.047. CERTAIN SCHOOL DISTRICT SERVICE CONTRACTS INVOLVING SUPERINTENDENTS PROHIBITED. (a) In this section, "business entity" has the meaning assigned by Section 171.001, Local Government Code.

(b) 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) The commissioner shall adopt rules prohibiting the board of trustees of a school district from entering into, with the superintendent, with a person who has retired from service as the superintendent of the district 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, a contract under which the district agrees to pay for services provided to the district.

(d) The rules adopted by the commissioner under Subsection (c) must 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 anniversary of the date of the person's retirement.

SECTION 2C. __. Section 11.2011, Education Code, as added by this Act, applies beginning January 1, 2007. A superintendent subject to Section 11.2011, Education Code, as added by this Act, is not required to include financial activity occurring before January 1, 2006, in a verified financial statement required under Section 11.2011, Education Code, as added by this Act.

SECTION 2C. __. 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. 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 that purpose.

Amendment No. 63

Representative Van Arsdale offered the following amendment to Amendment No. 62:

Amend Amendment No. 62 by Van Arsdale to **HB 2** (amendment packet, page 196) on page 1, line 15, by striking "527.026" and substituting "572.026".

Amendment No. 63 was adopted.

Amendment No. 62, as amended, was withdrawn.

Amendment No. 64

Representative Geren offered the following amendment to **HB 2**:
Floor Packet Page No. 199

Amend **HB 2** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION __. Section 34.008, Education Code, is amended to read as follows:

Sec. 34.008. CONTRACT WITH TRANSIT AUTHORITY, ~~[OR]~~ COMMERCIAL TRANSPORTATION COMPANY, OR JUVENILE BOARD.

(a) A board of county school trustees or school district board of trustees may contract with a mass transit authority, ~~[or]~~ a commercial transportation company, or a juvenile board for all or any part of a district's public school transportation if the authority, ~~[or]~~ company, or board:

(1) requires its school bus drivers to have the qualifications required by and to be certified in accordance with standards established by the Department of Public Safety; and

(2) uses only those school buses or mass transit authority buses in transporting 15 or more public school students that meet or exceed safety standards for school buses established under Section 34.002, Education Code.

Amendment No. 64 was withdrawn.

Amendment No. 65

Representative Uresti offered the following amendment to **HB 2**:

Floor Packet Page No. 200

Amend **HB 2** by adding the following appropriately numbered sections to Part B, Article 1, of the bill, and renumbering the subsequent sections of Part B, Article 1, accordingly:

SECTION 1B. Subchapter B, Chapter 44, Education Code, is amended by adding Sections 44.0411 and 44.0412 to read as follows:

Sec. 44.0411. SAFETY EQUIPMENT PROVISION IN CONTRACTS. (a) A school district shall include in each contract for construction of a school facility a requirement that the contractor provide and install school crossing zone 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. 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 provide and install 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. 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 by a contractor in compliance with this section must comply with the requirements and specifications of the manual adopted under Section 544.001, Transportation Code.

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, 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, the district shall deliver notice of the pending 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 cooperate 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. (a) 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) 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.

Amendment No. 66

Representative Uresti offered the following amendment to Amendment No. 65:

Amend Amendment No. 65 by Uresti to **HB 2** (amendment packet, page 200) as follows:

(1) On page 1 of the amendment, line 11, strike "provide and install school crossing zone" and substitute "ensure that school crossing zones.".

(2) On page 1, line 12, between "lights" and "and", insert a comma.

(3) On page 1, line 14, between "into" and the period, insert "are installed not later than the 30th day before the date that the facility is scheduled to open".

(4) On page 1, line 20, strike "provide and install" and substitute "ensure that".

(5) On page 1, line 24, between "performed" and the period, insert "is installed in a timely manner".

(6) On page 1, lines 28 and 29, strike "by a contractor".

(7) On page 2, line 2, between "Code" and the period, insert ", as the manual exists at the time the contract for construction is entered into".

(8) On page 2, line 10, between "facility" and the comma, insert "or applies for a building permit for a school facility, whichever is earlier".

(9) On page 2, line 10, strike "pending" and substitute "proposed".

(10) On page 2, line 18, strike "cooperate" and substitute "coordinate".

Amendment No. 66 was adopted.

Amendment No. 67

Representative Eissler offered the following amendment to Amendment No. 65:

Amend **HB 2** where appropriate by inserting the following new section, appropriately numbered, and renumbering the subsequent sections of Part B, Article 1, accordingly:

SECTION 1B.__. Section 46.008, Education Code, is amended to read as follows:

Sec. 46.008. STANDARDS. (a) The commissioner shall establish standards for adequacy of school facilities. The standards must include requirements related to space, educational adequacy, and construction quality. All new facilities constructed after September 1, 1998, must meet the standards to be eligible to be financed with state or local tax funds.

(b) To be eligible to be financed 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.

Amendment No. 67 was adopted.

Amendment No. 65, as amended, was adopted.

Amendment No. 68

Representative Geren offered the following amendment to **HB 2**:

Floor Packet Page No. 199

Amend **HB 2** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION __. Section 34.008, Education Code, is amended to read as follows:

Sec. 34.008. CONTRACT WITH TRANSIT AUTHORITY, ~~[OR]~~ COMMERCIAL TRANSPORTATION COMPANY, OR JUVENILE BOARD.

(a) A board of county school trustees or school district board of trustees may contract with a mass transit authority, ~~[or]~~ a commercial transportation company, or a juvenile board for all or any part of a district's public school transportation if the authority, ~~[or]~~ company, or board:

(1) requires its school bus drivers to have the qualifications required by and to be certified in accordance with standards established by the Department of Public Safety; and

(2) uses only those school buses or mass transit authority buses in transporting 15 or more public school students that meet or exceed safety standards for school buses established under Section 34.002, Education Code.

Amendment No. 68 was adopted.

Amendment No. 69

Representative Hope offered the following amendment to **HB 2**:

Floor Packet Page No. 203

Amend **HB 2** by amending Section 21.002 of the Education Code to read as follows:

Education Code §21.002. TEACHER EMPLOYMENT CONTRACTS. (a) A school district shall employ each classroom teacher, principal, librarian, nurse, licensed athletic trainer or counselor under:

- (1) a probationary contract, as provided by Subchapter C;
- (2) a continuing contract, as provided by Subchapter D; or
- (3) a term contract, as provided by Subchapter E.

(b) A district is not required to employ a person other than an employee listed in Subsection (a) under a probationary, continuing, or term contract.

(c) Each board of trustees shall establish a policy designating specific positions of employment, or categories of positions based on considerations such as length of service, to which continuing contracts or term contracts apply.

Amendment No. 69 was adopted.

Amendment No. 70

Representative Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 204

Amend **HB 2** by adding an appropriately numbered SECTION to read as follows:

SECTION ____ . Section 21.003(a), Education Code, is amended to read as follows:

(a) A person may not be employed as a teacher, teacher intern or teacher trainee, librarian, educational aide, administrator, educational diagnostician, or counselor by a school district unless the person holds an appropriate certificate or permit issued as provided by Subchapter B.

Amendment No. 71

Representative Quintanilla offered the following amendment to Amendment No. 70:

Amend the page 204 amendment to **HB 2** by inserting the following new item, appropriately numbered:

() On page 39, strike lines 17-21 and substitute the following:

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

Amendment No. 71 was adopted.

Amendment No. 70, as amended, was adopted.

Amendment No. 72

Representative Dutton offered the following amendment to **HB 2**:

Floor Packet Page No. 205

Amend **HB 2** on page 76, between lines 21 and 22, by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS of Part A, Article 2, of the bill accordingly:

SECTION 2A.____. Sections 21.405(a) and (c), Education Code, are amended to read as follows:

(a) Except as provided by Subsection (c), each classroom teacher, full-time school nurse, or full-time librarian is entitled to at least a 30-minute lunch period free from all duties and responsibilities connected with the instruction and supervision of students. Each school district may set flexible or rotating schedules for each classroom teacher, full-time school nurse, or full-time librarian in the district for the implementation of the duty-free lunch period.

(c) If necessary because of a personnel shortage, extreme economic conditions, or an unavoidable or unforeseen circumstance, a school district may require a classroom teacher, nurse, or librarian entitled to a duty-free lunch to supervise students during lunch. A classroom teacher, nurse, or librarian may not be required to supervise students under this subsection more than one day in any school week. The commissioner by rule shall prescribe guidelines for determining what constitutes a personnel shortage, extreme economic conditions, or an unavoidable or unforeseen circumstance for purposes of this subsection.

Amendment No. 72 was adopted.

Amendment No. 73

Representative Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 206

Amend **HB 2** on page 65, between lines 6 and 7, by inserting the following appropriately numbered section and renumbering subsequent sections of the bill accordingly:

SECTION 2A.____. Section 11.163, Education Code, is amended by adding Subsection (f) to read as follows:

(f) The employment policy may not restrict 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.

Amendment No. 73 was adopted.

Amendment No. 74

Representative Farabee offered the following amendment to **HB 2**:

Floor Packet Page No. 207

Amend **HB 2** on page 69, between lines 5 and 6, by inserting the following appropriately numbered SECTION and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION 2A.____. Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.062 to read as follows:

Sec. 21.062. CONFIDENTIALITY AND DISCLOSURE OF CERTAIN INFORMATION. (a) 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;

(2) the files, reports, records, communications, audiotapes, videotapes, and working papers used or developed in an investigation under this subchapter; and

(3) a final sanction by the board that, as determined by board rules, is a formal, unpublished censure not intended to appear in the educator's official certification records.

(b) An educator who is the subject of an investigation by the board under this subchapter is entitled to examine and make copies of any information described by this section if the information directly relates to the investigation.

Amendment No. 75

Representative Farabee offered the following amendment to Amendment No. 74:

Amend the Farabee amendment (amendment packet, page 207) to **HB 2** as follows:

- (1) On page 1, line 12, after the semicolon, insert "and".
- (2) On page 1, line 15, strike "; and" and substitute ".".
- (3) On page 1, strike lines 16-18.

Amendment No. 75 was adopted.

Amendment No. 74, as amended, was adopted.

Amendment No. 76

Representative Hamric offered the following amendment to **HB 2**:

Floor Packet Page No. 213

Amend **HB 2** as follows:

(1) On page 107, between lines 1 and 2, insert the following appropriately numbered section to read as follows:

SECTION 2C.__. Section 11.253(d), Education Code, is amended to read as follows:

(d) Each campus improvement plan must:

(1) assess the academic achievement for each student in the school using the academic excellence indicator system as described by Section 39.051;

(2) set the campus performance objectives based on the academic excellence indicator system, including objectives for special needs populations, including students in special education programs under Subchapter A, Chapter 29;

(3) identify how the campus goals will be met for each student;

(4) determine the resources needed to implement the plan;

(5) identify staff needed to implement the plan;

(6) set timelines for reaching the goals;

(7) measure progress toward the performance objectives periodically to ensure that the plan is resulting in academic improvement;

(8) include goals and methods for violence prevention and intervention, dropout deterrence, and academic enhancement on campus that may include ongoing, research-based teacher development programs that focus on:

(A) developing healthy self-esteem in students;

(B) nurturing the well-being of students; and

(C) creating a nurturing classroom environment; and

(9) 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.

(2) On page 121, between lines 8 and 9, insert the following appropriately numbered section to read as follows:

SECTION 2C.__. Section 11.253(d), Education Code, as amended by this Act, applies to campus improvement plans beginning with the 2006-2007 school year.

(3) Renumber sections of Part C, Article 2, of the bill accordingly.

Amendment No. 76 was adopted.

Amendment No. 77

Representative Anderson offered the following amendment to **HB 2**:

Floor Packet Page No. 215

Amend **HB 2** by inserting the following new sections, appropriately numbered, and renumbering the subsequent sections accordingly:

SECTION ____. Sections 11.253(d) and (h), Education Code, are amended to read as follows:

(d) Each campus improvement plan must:

(1) assess the academic achievement for each student in the school using the academic excellence indicator system as described by Section 39.051;

(2) set the campus performance objectives based on the academic excellence indicator system, including objectives for special needs populations, including students in special education programs under Subchapter A, Chapter 29;

(3) identify how the campus goals will be met for each student;

(4) determine the resources needed to implement the plan;

(5) identify staff needed to implement the plan;

(6) set timelines for reaching the goals;

(7) measure progress toward the performance objectives periodically to ensure that the plan is resulting in academic improvement;

(8) include goals and methods for violence prevention and intervention on campus as approved by a site-based school discipline policy committee established under Section 11.2531, if such a committee is established; and

(9) provide for a program to encourage parental involvement at the campus.

(h) A principal shall regularly consult the campus-level committee and a site-based school discipline policy committee established under Section 11.2531, if such a committee is established, in the planning, operation, supervision, and evaluation of the campus educational program.

SECTION ____ . Subchapter F, Chapter 11, Education Code, is amended by adding Section 11.2531 to read as follows:

Sec. 11.2531. SITE-BASED SCHOOL DISCIPLINE POLICY COMMITTEE. (a) Each school district shall permit the establishment of a site-based school discipline policy committee at a district campus.

(b) A group of classroom teachers at a campus may establish a site-based school discipline policy committee by a petition containing the signatures of at least 50 percent of the classroom teachers at the campus. If such a petition is submitted to the principal not later than the 10th instructional day of a school year, the principal shall approve the establishment of the committee.

(c) A member of a site-based school discipline policy committee must be a full-time classroom teacher.

(d) Not later than the 20th instructional day of a school year, the committee shall meet and elect by secret ballot an executive board from its membership. The board shall establish policies concerning the time and manner of committee and board meetings.

(e) A site-based school discipline policy committee shall establish policies regarding:

(1) discipline management and the student code of conduct in accordance with Chapter 37;

(2) goals and methods for violence prevention and intervention on campus;

(3) teacher and school personnel safety; and

(4) 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 _____. Section 37.001(a), Education Code, as amended by **HB 283** and **HB 603**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(a) The board of trustees of an independent school district shall, with the advice of its district-level committee established under Subchapter F, Chapter 11, and of the site-based school discipline policy committees for campuses in the district, if such committees are established, adopt a student code of conduct for the district. The student code of conduct must be posted and prominently displayed at each school campus or made available for review at the office of the campus principal. In addition to establishing standards for student conduct, the student code of conduct must:

(1) specify the circumstances, in accordance with this subchapter, under which a student may be removed from a classroom, campus, or disciplinary alternative education program;

(2) specify conditions that authorize or require a principal or other appropriate administrator to transfer a student to a disciplinary alternative education program;

(3) outline conditions under which a student may be suspended as provided by Section 37.005 or expelled as provided by Section 37.007;

(4) specify whether consideration is given, as a factor in a decision to order suspension, removal to a disciplinary alternative education program, or expulsion, to:

(A) self-defense;

(B) intent or lack of intent at the time the student engaged in the conduct;

(C) a student's disciplinary history; or

(D) a disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct;

(5) provide guidelines for setting the length of a term of:

(A) a removal under Section 37.006; and

(B) an expulsion under Section 37.007;

(6) address the notification of a student's parent or guardian of a violation of the student code of conduct committed by the student that results in suspension, removal to a disciplinary alternative education program, or expulsion;

(7) prohibit bullying, harassment, and making hit lists and ensure that district employees enforce those prohibitions; and

(8) provide, as appropriate for students at each grade level, methods, including options, for:

(A) managing students in the classroom and on school grounds;

(B) disciplining students; and

(C) preventing and intervening in student discipline problems, including bullying, harassment, and making hit lists.

SECTION _____. Section 37.002(c), Education Code, is amended to read as follows:

(c) If a teacher removes a student from class under Subsection (b), the principal may place the student into another appropriate classroom, into in-school suspension, or into a disciplinary alternative education program as provided by Section 37.008. The principal may not return the student to that teacher's class without the teacher's consent unless the site-based school discipline policy committee established under Section 11.2531 or, if such a committee is not established, the committee established under Section 37.003 determines that such placement is the best or only alternative available. The terms of the removal may prohibit the student from attending or participating in school-sponsored or school-related activity.

SECTION _____. Section 37.002(d), Education Code, as amended by **HB 603**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(d) A teacher shall remove from class and send to the principal for placement in a disciplinary alternative education program or for expulsion, as appropriate, a student who engages in conduct described under Section 37.006 or 37.007. The student may not be returned to that teacher's class without the teacher's consent unless the site-based school discipline policy committee established under Section 11.2531 or, if such a committee is not established, the committee established under Section 37.003 determines that such placement is the best or only alternative available. If the teacher removed the student from class because the student has engaged in the elements of any offense listed in Section 37.006(a)(2)(B) or Section 37.007(a)(2)(A) or (b)(2)(C) against the teacher, the student may not be returned to the teacher's class without the teacher's consent. The teacher may not be coerced to consent.

Amendment No. 77 was adopted.

Amendment No. 78

Representative Hochberg offered the following amendment to **HB 2**:

Floor Packet Supplement

Amend **HB 2** as follows:

Add the following section, appropriately numbered, to Article 2:

"SECTION 2_._. Subchapter B, Chapter 28, Education Code, is amended by adding Section 28.0216 to read as follows:

Sec. 28.0216. LIMITS ON ASSIGNMENT OF STUDENTS TO TEACHERS. (a) A student in grades Kindergarten through 6 may not be assigned for two consecutive school years to a teacher who:

(1) has less than one year of teaching experience; or

(2) does not hold the appropriate certificate issued by the State Board for Educator Certification.

(b) In a subject for which a student takes an assessment under Section 39.023(a) or (c), a student in grade 7 or higher may not be assigned for two consecutive school years to a teacher who:

(1) has less than one year of teaching experience; or

(2) does not hold the appropriate certificate issued by the State Board for Educator Certification."

Amendment No. 78 was adopted.

Amendment No. 79

Representative Hill offered the following amendment to **HB 2**:

Floor Packet Page No. 221

Amend **HB 2** in Article 2 of the bill by adding a new appropriately lettered part to read as follows and renumbering subsequent parts of Article 2 accordingly:

PART __. CURRICULUM

SECTION 2 __. __. Section 28.002, Education Code, is amended by adding Subsection (d) to read as follows:

(d) In identifying the essential knowledge and skills of United States history, the State Board of Education shall 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. Each member of the board shall appoint to the advisory committee a person to represent that member on the committee. Each representative serves at the will of the appointing board member and must be a person with expertise in one or more areas of United States history. The board must include among the essential knowledge and skills of United States history that the board identifies knowledge and skills of United States history from the colonial period through the present. The amount of class time provided to study United States history that occurred before 1877 and the amount of testing over history that occurred before 1877, including any assessment required under Section 39.023, must be as equal as practicable to the amount of class time and testing for history beginning in 1877.

SECTION 2 __. __. As soon as practicable after the effective date of this Act, the State Board of Education shall identify the essential knowledge and skills of the public school United States history curriculum in accordance with Section 28.002(d), Education Code, as added by this Act, and approve new United States history instructional materials in accordance with Section 31.0252, Education Code, as added by this Act.

Amendment No. 79 was adopted.

Amendment No. 80

Representative Reyna offered the following amendment to **HB 2**:

Floor Packet Page No. 223

Amend **HB 2** by adding the following appropriately lettered part to Article 2 of the bill and relettering the subsequent parts of Article 2 accordingly:

PART __. CURRICULUM

SECTION 2 __. __. Section 28.002, Education Code, is amended by adding Subsection (p) to read as follows:

(p) The State Board of Education, in conjunction with the office of the attorney general, shall develop a parenting and paternity awareness program that a school district shall use in the district's high school health curriculum. The program must:

(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.

SECTION 2_._ (a) Not later than May 1, 2006, the State Board of Education shall develop a parenting and paternity awareness program as provided by Section 28.002(p), Education Code, as added by this Act.

(b) A school district shall use the parenting and paternity awareness program developed by the State Board of Education as provided by Section 28.002(p), Education Code, as added by this Act, beginning with the 2006-2007 school year.

Amendment No. 80 was adopted.

Amendment No. 81

Representative Uresti offered the following amendment to **HB 2**:

Floor Packet Page No. 224

Amend **HB 2** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ___. Subchapter A, Chapter 38, Education Code, is amended by adding Section 38.0041 to read as follows:

Sec. 38.0041. CHILD ABUSE AND NEGLECT RECOGNITION AND RESPONSE TRAINING PILOT PROGRAM. (a) In this section, "abuse" and "neglect" have the meanings assigned by Section 261.001, Family Code.

(b) Not later than July 31, 2006, the agency, in consultation with the Department of Family and Protective Services, shall develop a pilot program to train school district employees in recognizing and responding appropriately to child abuse and neglect.

(c) The pilot program must be designed to provide uniform training standards for school district employees throughout this state.

(d) The commissioner shall select at least two school districts in which to implement the pilot program. One of the districts must be located in a county that has a population of fewer than 1.4 million and contains at least 12 school districts. The districts selected by the commissioner shall implement the pilot program beginning with the 2006-2007 school year.

(e) Not later than January 1, 2011, the commissioner shall submit a report concerning the effectiveness of the pilot program 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.

(f) This section expires September 1, 2011.

Amendment No. 81 was adopted.

Amendment No. 82

Representative McReynolds offered the following amendment to **HB 2**:
Floor Packet Page No. 226

Amend **HB 2** (House Committee Report) as follows:

(1) On page 251, strike line 20 and substitute the following:

PART K. HEALTH AND SAFETY

(2) On page 252, between lines 8 and 9, add the following appropriately numbered SECTIONS to PART K, ARTICLE 2, of the bill:

SECTION _____. The heading to Chapter 95, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

CHAPTER 95. RISK ASSESSMENT FOR TYPE 2 DIABETES

[ACANTHOSIS NIGRICANS SCREENING]

SECTION _____. Section 95.001, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Department" means the Department of State Health Services.

SECTION _____. Sections 95.002, 95.003, and 95.004, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, are amended to read as follows:

Sec. 95.002. **TYPE 2 DIABETES [ACANTHOSIS NIGRICANS] EDUCATION AND RISK ASSESSMENT PROGRAM [SCREENING PROJECT]**. (a) The office shall administer a risk assessment program for Type 2 diabetes [an acanthosis nigricans screening program] in accordance with this chapter.

(b) The executive council by rule shall coordinate the risk assessment for Type 2 diabetes [screening] 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) The rules must include procedures necessary to administer the risk assessment program, including procedures that require each school to record and report risk assessment [screening] 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) The office shall require a risk assessment for Type 2 diabetes [acanthosis nigricans screening] 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) The office may:

(1) coordinate the risk assessment for Type 2 diabetes [~~acanthosis nigricans screening~~] 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) [~~The office may~~] provide technical assistance to those entities in developing risk assessment [~~screening~~] programs.

(f) The office shall:

(1) [~~and may~~] provide educational and other material to assist local risk assessment [~~screening~~] activities;

(2) [~~(f) The office shall~~] monitor the quality of risk assessment [~~screening~~] 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) The office shall periodically provide information on obesity, Type 2 diabetes, and related conditions to physicians.

(h) The office shall 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 [~~SCREENING~~] REQUIREMENTS. (a) Each individual required by rules adopted under this chapter to be assessed [~~screened~~] shall undergo approved risk assessment [~~screening~~] for Type 2 diabetes [~~acanthosis nigricans~~]. The individual shall comply with the requirements as soon as possible after the individual's admission to a school and as required by rule. The individual or, if the individual is a minor, the minor's parent, managing conservator, or guardian may substitute a professional examination for the risk assessment [~~screening~~].

(b) An individual is exempt from risk assessment [~~screening~~] if risk assessment [~~screening~~] conflicts with the tenets and practices of a recognized church or religious denomination of which the individual is an adherent or a member. To qualify for the exemption, the individual or, if the individual is a minor, the individual's parent, managing conservator, or guardian must submit to the chief administrator of the school on or before the day of the risk assessment process [~~screening procedure~~] an affidavit stating the objections to the risk assessment [~~screening~~].

(c) The chief administrator of each school shall ensure that each individual admitted to the school complies with the risk assessment [~~screening~~] requirements set by the executive council or submits an affidavit of exemption.

Sec. 95.004. RECORDS; REPORTS. (a) The chief administrator of each school shall maintain, on a form prescribed by the executive council, risk assessment [screening] 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. The risk assessment [the] records are open for inspection by the office or the local health department.

(b) The office may, directly or through local health departments, enter a school and inspect records maintained by the school relating to risk assessment [screening] for Type 2 diabetes [acanthosis nigricans].

(c) An individual's risk assessment [screening] records may be transferred among schools without the consent of the individual or, if the individual is a minor, the minor's parent, managing conservator, or guardian.

(d) The person performing the risk assessment [screening] shall send a report indicating that an individual may be at risk for developing Type 2 diabetes [have acanthosis nigricans] to the individual or, if the individual is a minor, the minor's parent, managing conservator, or guardian. The report must 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 [acanthosis nigricans and related conditions];

(2) a statement concerning an individual's or family's need for further evaluation for Type 2 diabetes and related [of] conditions [related to acanthosis nigricans]; and

(3) instructions to help the individual or family receive evaluation by a physician or other health care provider [and intervention by the school district].

(e) Each school shall submit to the office an annual report on the risk assessment [screening] status of the individuals in attendance during the reporting year and shall include in the report any other information required by the office.

(f) The annual report required under Subsection (e) must be compiled from the information entered into the surveillance software and be on a form prescribed by the executive council [and must be submitted according to the executive council's rules].

(g) The office shall 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.

(h) [(#)] Not later than January 15 of each odd-numbered year, the office shall submit to the department [governor and the legislature] a report concerning the effectiveness of the risk assessment program for Type 2 diabetes [acanthosis nigricans screening program] established by this chapter.

SECTION _____. Chapter 95, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, is amended by adding Section 95.005 to read as follows:

Sec. 95.005. GIFTS AND GRANTS. The office may accept gifts, grants, and donations to support the Type 2 diabetes risk assessment program conducted under this chapter.

SECTION _____. Chapter 103, Health and Safety Code, is amended by adding Section 103.0125 to read as follows:

Sec. 103.0125. TYPE 2 DIABETES RISK ASSESSMENT PROGRAM ADVISORY COMMITTEE. (a) The council shall 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) The advisory committee is composed of:

(1) the following representatives appointed by the executive head of the agency, organization, school, or school district the representative serves:

(A) one representative of the council;

(B) one representative of the department;

(C) one representative of the Texas Education Agency;

(D) a representative from The University of Texas–Pan American;

(E) one representative of the Texas Medical Association;

(F) one representative of the Texas Pediatric Society;

(G) one representative of the American Heart Association;

(H) one representative of the American Diabetes Association;

(I) one school district administrator representative from a school district selected by the council;

(J) one school nurse representative from a rural school selected by the council; and

(K) one school nurse representative from an urban school selected by the council; and

(2) one parent or guardian of a child in this state with Type 2 diabetes, appointed by the council.

(c) A person may not be a member of the advisory committee if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a health care profession or related business or another profession related to the operation of the council.

(d) The representative of the council appointed under Subsection (b)(1)(A) shall serve as the presiding officer of the advisory committee.

(e) Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory committee.

(f) The advisory committee shall:

(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 Border Health Coordination Office of The University of Texas–Pan American on the age groups that would benefit most from the risk assessment activities under Chapter 95;

(3) recommend a method to record and report the number of children who are 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 established under 42 U.S.C. Section 1751 et seq.;

(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 under Section 103.013 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) The advisory committee shall recommend to the department a method for the department to evaluate the Type 2 diabetes risk assessment program administered under Chapter 95. The department shall conduct the evaluation in accordance with this subsection and the advisory committee's recommendations under this subsection and file a report on the evaluation with the governor and the presiding officer of each house of the legislature not later than January 1, 2007. The method must 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 that the advisory committee considers advisable.

(h) Subsection (g) and this subsection expire September 1, 2007.

SECTION _____. (a) As early as practicable after the effective date of this Act, the executive head of the following entities shall 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) As early as practicable after the effective date of this Act, the head of the Texas Diabetes Council shall 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 created under Section 103.0125, Health and Safety Code, as added by this Act.

SECTION ____. Subdivision (6), Section 95.001, Health and Safety Code, as added by Chapter 1465, Acts of the 77th Legislature, Regular Session, 2001, is repealed.

Amendment No. 82 was adopted.

Amendment No. 83

Representative Van Arsdale offered the following amendment to **HB 2**:

Floor Packet Page No. 196

Amend **HB 2** by adding the following appropriately numbered SECTIONS to Part C, Article 2, of the bill and renumbering the subsequent SECTIONS of Part C accordingly:

SECTION 2C.__. Subchapter E, Chapter 11, Education Code, is amended by adding Section 11.2011 to read as follows:

Sec. 11.2011. FILING OF FINANCIAL STATEMENT BY SUPERINTENDENT. (a) The commissioner shall adopt rules requiring a superintendent to file a verified financial statement with:

- (1) the board of trustees of the district; and
- (2) the agency.

(b) A financial statement filed under Subsection (a) must include the information prescribed by Section 572.023(b)(1), Government Code. The commissioner shall create a form for a superintendent to use in filing the financial statement.

(c) Section 527.026, Government Code, applies to the timeliness of filing a financial statement under this section as if the superintendent were a state officer, except that a superintendent must file any request for an extension authorized under that section with the commissioner. The commissioner shall make available to any interested person and shall place on the agency's Internet website each financial statement filed with the agency under this section.

(d) A superintendent commits an offense if the superintendent fails to file the statement required by this section. An offense under this section is a Class B misdemeanor.

SECTION 2C.__. Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.047 to read as follows:

Sec. 44.047. CERTAIN SCHOOL DISTRICT SERVICE CONTRACTS INVOLVING SUPERINTENDENTS PROHIBITED. (a) In this section, "business entity" has the meaning assigned by Section 171.001, Local Government Code.

(b) 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) The commissioner shall adopt rules prohibiting the board of trustees of a school district from entering into, with the superintendent, with a person who has retired from service as the superintendent of the district 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, a contract under which the district agrees to pay for services provided to the district.

(d) The rules adopted by the commissioner under Subsection (c) must 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 anniversary of the date of the person's retirement.

SECTION 2C.__. Section 11.2011, Education Code, as added by this Act, applies beginning January 1, 2007. A superintendent subject to Section 11.2011, Education Code, as added by this Act, is not required to include financial activity occurring before January 1, 2006, in a verified financial statement required under Section 11.2011, Education Code, as added by this Act.

SECTION 2C.__. 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. 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 that purpose.

Amendment No. 84

Representative Van Arsdale offered the following amendment to Amendment No. 83:

Amend the Van Arsdale amendment to **HB 2** (amendment packet, page 196) by striking page 1, lines 4 through 25, and page 2, lines 21 through 26.

Amendment No. 84 was adopted.

Amendment No. 83, as amended, was adopted.

Amendment No. 85

Representative Dukes offered the following amendment to **HB 2**:
Floor Packet Page No. 235

Amend **HB 2** in ARTICLE 2 of the bill, in PART D by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of PART D appropriately:

SECTION 2D.__. Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.913 to read as follows:

Sec. 29.913. "EDUCATION. GO GET IT" WEEK. (a) To educate middle school, junior high school, and high school students about the importance of higher education, each school district and each open-enrollment charter school offering those grades shall designate one week during the school year as "Education. Go Get It" Week.

(b) During the designated week, each middle school, junior high school, and high school shall provide students with comprehensive grade-appropriate information regarding the pursuit of higher education. The information provided must include information regarding:

(1) higher education options available to students;

(2) standard admission requirements for institutions of higher education, including:

(A) overall high school grade point average;

(B) required curriculum; and

(C) scores necessary on generally recognized tests or assessments used in admissions determinations, including the Scholastic Assessment Test and the American College Test;

(3) automatic admission of certain students to general academic teaching institutions as provided by Section 51.803; and

(4) financial aid availability and requirements, including the financial aid information provided by counselors under Section 33.007(b).

(c) In addition to the information provided under Subsection (b), each middle school, junior high school, and high school shall provide to the students during the designated week at least one public speaker to promote the importance of higher education.

Amendment No. 85 was adopted.

Amendment No. 86

Representatives B. Cook and Bonnen offered the following amendment to **HB 2**:

Floor Packet Page No. 238

Amend **HB 2** by adding the following appropriately lettered part to Article 2 of the bill and relettering the subsequent parts accordingly:

PART __. CLASSROOM SERVICE BY MEMBERS OF THE LEGISLATURE
SECTION 2 __. __. Subchapter Z, Chapter 22, Education Code, is amended by adding Section 22.902 to read as follows:

Sec. 22.902. CLASSROOM SERVICE BY MEMBERS OF THE LEGISLATURE. (a) Each member of the legislature shall 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.

(b) A member of the legislature may comply with this section 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.

SECTION 2 __.__. 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.

Amendment No. 86 was adopted. (Hartnett recorded voting no.)

Amendment No. 87

Representative Dutton offered the following amendment to **HB 2**:
Floor Packet Page No. 245

Amend **HB 2** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION __. Subchapter A, Chapter 37, Education Code, is amended by adding Section 37.023 to read as follows:

Sec. 37.023. LIMITATION ON REFERRAL TO LAW ENFORCEMENT OFFICIAL FOR VIOLATION OF STUDENT CODE OF CONDUCT. A school administrator may not refer 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.

Amendment No. 87 was adopted.

Amendment No. 88

Representative Olivo offered the following amendment to **HB 2**:
Floor Packet Page No. 247

Amend **HB 2** on page 243, between lines 16 and 17, by adding the following appropriately numbered sections and renumbering the subsequent sections of the bill accordingly:

SECTION 2I. __. Section 37.001(a), Education Code, as amended by **HB 283** and **HB 603**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(a) The board of trustees of an independent school district shall, with the advice of its district-level committee established under Subchapter F, Chapter 11, adopt a student code of conduct for the district. The student code of conduct must be posted and prominently displayed at each school campus or made available for review at the office of the campus principal. In addition to establishing standards for student conduct, the student code of conduct must:

(1) specify the circumstances, in accordance with this subchapter, under which a student may be removed from a classroom, campus, or disciplinary alternative education program;

(2) specify conditions that authorize or require a principal or other appropriate administrator to transfer a student to a disciplinary alternative education program;

(3) outline conditions under which a student may be suspended as provided by Section 37.005 or expelled as provided by Section 37.007;

(4) specify whether consideration is given, as a factor in a decision to order suspension, removal to a disciplinary alternative education program, or expulsion, to:

(A) self-defense;

(B) intent or lack of intent at the time the student engaged in the conduct;

(C) a student's disciplinary history; or

(D) a disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct;

(5) provide guidelines for setting the length of a term of:

(A) a removal under Section 37.006; and

(B) an expulsion under Section 37.007;

(6) address the notification of a student's parent or guardian of a violation of the student code of conduct committed by the student that results in suspension, removal to a disciplinary alternative education program, or expulsion;

(7) prohibit bullying, harassment, and making hit lists and ensure that district employees enforce those prohibitions; ~~and~~

(8) provide, as appropriate for students at each grade level, methods, including options, for:

(A) managing students in the classroom and on school grounds;

(B) disciplining students; and

(C) preventing and intervening in student discipline problems, including bullying, harassment, and making hit lists; and

(9) provide guidelines under which:

(A) a student who unknowingly brings to school a prohibited item, including an item described by Section 37.007(a)(1) or (b)(2), 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.

SECTION 2I. __. Section 37.007(a), Education Code, is amended to read as follows:

(a) A student shall be expelled from a school if the student, on school property or while attending a school-sponsored or school-related activity on or off of school property:

(1) uses, exhibits, or knowingly possesses:

(A) a firearm as defined by Section 46.01(3), Penal Code;

(B) an illegal knife as defined by Section 46.01(6), Penal Code, or by local policy;

(C) a club as defined by Section 46.01(1), Penal Code; or

(D) a weapon listed as a prohibited weapon under Section 46.05, Penal Code;

(2) engages in conduct that contains the elements of the offense of:

(A) aggravated assault under Section 22.02, Penal Code, sexual assault under Section 22.011, Penal Code, or aggravated sexual assault under Section 22.021, Penal Code;

- (B) arson under Section 28.02, Penal Code;
 - (C) murder under Section 19.02, Penal Code, capital murder under Section 19.03, Penal Code, or criminal attempt, under Section 15.01, Penal Code, to commit murder or capital murder;
 - (D) indecency with a child under Section 21.11, Penal Code;
 - (E) aggravated kidnapping under Section 20.04, Penal Code;
 - (F) aggravated robbery under Section 29.03, Penal Code;
 - (G) manslaughter under Section 19.04, Penal Code; or
 - (H) criminally negligent homicide under Section 19.05, Penal Code; or
- (3) engages in conduct specified by Section 37.006(a)(2)(C) or (D), if the conduct is punishable as a felony.

SECTION 21.__. Section 37.007(b), Education Code, as amended by **HB 2018**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

- (b) A student may be expelled if the student:
 - (1) engages in conduct involving a public school that contains the elements of the offense of false alarm or report under Section 42.06, Penal Code, or terroristic threat under Section 22.07, Penal Code;
 - (2) while on or within 300 feet of school property, as measured from any point on the school's real property boundary line, or while attending a school-sponsored or school-related activity on or off of school property:
 - (A) sells, gives, or delivers to another person or knowingly possesses, uses, or is under the influence of any amount of:
 - (i) marihuana or a controlled substance, as defined by Chapter 481, Health and Safety Code, or by 21 U.S.C. Section 801 et seq.;
 - (ii) a dangerous drug, as defined by Chapter 483, Health and Safety Code; or
 - (iii) an alcoholic beverage, as defined by Section 1.04, Alcoholic Beverage Code;
 - (B) engages in conduct that contains the elements of an offense relating to an abusable volatile chemical under Sections 485.031 through 485.034, Health and Safety Code;
 - (C) engages in conduct that contains the elements of an offense under Section 22.01(a)(1), Penal Code, against a school district employee or a volunteer as defined by Section 22.053; or
 - (D) engages in conduct that contains the elements of the offense of deadly conduct under Section 22.05, Penal Code;
 - (3) subject to Subsection (d), while within 300 feet of school property, as measured from any point on the school's real property boundary line:
 - (A) engages in conduct specified by Subsection (a); or
 - (B) possesses a firearm, as defined by 18 U.S.C. Section 921; or

(4) engages in conduct that contains the elements of any offense listed in Subsection (a)(2)(A) or (C) or the offense of aggravated robbery under Section 29.03, Penal Code, against another student, without regard to whether the conduct occurs on or off of school property or while attending a school-sponsored or school-related activity on or off of school property.

Amendment No. 88 was adopted.

Amendment No. 89

Representative Leibowitz offered the following amendment to **HB 2**:
Floor Packet Page No. 253

Amend **HB 2** by adding the following appropriately numbered sections and renumbering the subsequent sections of the bill accordingly:

SECTION ____. Chapter 34, Education Code, is amended by adding Section 34.012 to read as follows:

Sec. 34.012. LOCATION OF BUS STOP. (a) When designating the location of a bus stop, a school district shall consider the proximity of the bus stop 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.

(b) The district shall attempt to locate each bus stop at least 1,500 feet from the residence of an individual described by Subsection (a), as measured in a straight line from the nearest property line of the residence to the bus stop.

SECTION ____. Section 34.012, Education Code, as added by this Act, applies beginning with the 2005-2006 school year.

Amendment No. 89 was adopted.

Amendment No. 90

Representative Oliveira offered the following amendment to **HB 2**:
Floor Packet Page No. 255

Amend the proposed substitute to **HB 2** as follows:

SECTION ____. The heading to Section 38.015, Education Code, is amended to read as follows:

Sec. 38.015. SELF-ADMINISTRATION OF PRESCRIPTION ASTHMA OR ANAPHYLAXIS MEDICINE BY STUDENTS.

SECTION ____. Sections 38.015(a) and (b), Education Code, are amended to read as follows:

(a) In this section:

(1) "Parent" includes a person standing in parental relation.

(2) "Self-administration of prescription asthma or anaphylaxis medicine" means a student's discretionary use of prescription asthma or anaphylaxis medicine.

(b) A student with asthma or anaphylaxis is entitled to possess and self-administer prescription asthma or anaphylaxis medicine while on school property or at a school-related event or activity if:

(1) the prescription [~~asthma~~] medicine has been prescribed for that student as indicated by the prescription label on the medicine;

(2) the student has demonstrated to the student's physician or other licensed health care provider and the school nurse, if available, the skill level necessary to self-administer the prescription medication, including the use of any device required to administer the medication;

(3) the self-administration is done in compliance with the prescription or written instructions from the student's physician or other licensed health care provider; and

(4) ~~(3)~~ a parent of the student provides to the school:

(A) a written authorization, signed by the parent, for the student to self-administer the prescription [~~asthma~~] medicine while on school property or at a school-related event or activity; and

(B) a written statement from the student's physician or other licensed health care provider, signed by the physician or provider, that states:

(i) that the student has asthma or anaphylaxis and is capable of self-administering the prescription [~~asthma~~] medicine;

(ii) the name and purpose of the medicine;

(iii) the prescribed dosage for the medicine;

(iv) the times at which or circumstances under which the medicine may be administered; and

(v) the period for which the medicine is prescribed.

Amendment No. 90 was adopted.

Amendment No. 91

Representative Hamilton offered the following amendment to **HB 2**:

Floor Packet Page No. 254

Amend **HB 2** on page 108, between lines 5 and 6, by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS in Part C, Article 2 of the bill accordingly:

SECTION 2C. __. Section 25.085(e), Education Code, is amended to read as follows:

(e) A person who voluntarily enrolls in school or voluntarily attends school after the person's 18th birthday shall attend school each school day for the entire period the program of instruction is offered, and shall attend until the end of the school year. Section 25.094 applies to a person described by this subsection. Sections 25.093 and 25.095 do not apply to the parent of a person described by this subsection. ~~[A school district may revoke for the remainder of the school year the enrollment of a person who has more than five absences in a semester that are not excused under Section 25.087. A person whose enrollment is revoked under this subsection may be considered an unauthorized person on school district grounds for purposes of Section 37.107.]~~

Amendment No. 91 was withdrawn.

Amendment No. 92

Representative Hamilton offered the following amendment to **HB 2**:

Floor Packet Page No. 254

Amend **HB 2** on page 108, between lines 5 and 6, by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS in Part C, Article 2 of the bill accordingly:

SECTION 2C.__. Section 25.085(e), Education Code, is amended to read as follows:

(e) A person who voluntarily enrolls in school or voluntarily attends school after the person's 18th birthday shall attend school each school day for the entire period the program of instruction is offered, and shall attend until the end of the school year. Section 25.094 applies to a person described by this subsection. Sections 25.093 and 25.095 do not apply to the parent of a person described by this subsection. [A school district may revoke for the remainder of the school year the enrollment of a person who has more than five absences in a semester that are not excused under Section 25.087. A person whose enrollment is revoked under this subsection may be considered an unauthorized person on school district grounds for purposes of Section 37.107.]

Amendment No. 92 was adopted.

Amendment No. 93

Representative Alonzo offered the following amendment to **HB 2**:

Floor Packet Page No. 263

Amend **HB 2** by adding the following appropriately numbered Part to Article 2 of the bill and by renumbering the remaining Parts as appropriate:

PART ____. VOTING BY RESIDENT ALIEN IN SCHOOL DISTRICT
ELECTION

SECTION 2__.01. Subchapter D, Chapter 11, Education Code, is amended by adding Section 11.170 to read as follows:

Sec. 11.170. LOCAL OPTION ELECTION. (a) The board of trustees of a school district may order an election in the district on the question of whether a person who is lawfully admitted for permanent residence, as defined by 8 U.S.C. Section 1101, may vote in an election held by the district.

(b) At the election, the ballot shall be printed to permit voting for or against the proposition: "Voting by a person lawfully admitted for permanent residence in the United States in an election held by (name of school district)."

(c) If a majority of the votes received in the election approve the proposition:

(1) a person who meets the qualifications to vote under Section 11.002, Election Code, excluding United States citizenship, is qualified to vote in an election held by the school district if the person is lawfully admitted for permanent residence; and

(2) a person who is eligible to register to vote under Section 13.001, Election Code, excluding United States citizenship, is eligible to register to vote in an election held by the school district if the person is lawfully admitted for permanent residence.

(d) The secretary of state shall prescribe the design and content of a:

(1) form to apply for registration to vote by a person who is qualified to vote under this section; and

(2) limited use voter registration certificate for a person who has registered to vote under this section.

(e) The procedure for the administration of a limited use voter registration certificate issued under this section is the same as the procedure for the administration of a voter registration certificate under Title 2, Election Code.

(f) The secretary of state shall adopt rules for the verification of a person's status at the time a person applies to register to vote under this section.

Representative Denny moved to table Amendment No. 93.

A record vote was requested.

The motion to table prevailed by (Record 17): 93 Yeas, 34 Nays, 1 Present, not voting.

Yeas — Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eiland; Eissler; Elkins; Flynn; Gattis; Geren; Goolsby; Griggs; Grusendorf; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Homer; Hope; Howard; Hughes; Hunter; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Madden; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Oliveira; Orr; Otto; Paxton; Phillips; Pickett; Pitts; Reyna; Riddle; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Castro; Chavez; Coleman; Davis, Y.; Deshotel; Dunnam; Dutton; Edwards; Farabee; Farrar; Giddings; Gonzales; Gonzalez Toureilles; Herrero; Hodge; Jones, J.; King, T.; Leibowitz; Luna; Martinez; Martinez Fischer; Noriega, M.; Olivo; Puente; Quintanilla; Rodriguez; Solis; Uresti; Veasey.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

Absent — Allen, R.; Dukes; Escobar; Flores; Frost; Gallego; Goodman; Guillen; Hopson; McClendon; McReynolds; Moreno, P.; Naishtat; Peña; Raymond; Ritter; Thompson; Turner; Villarreal; Vo.

STATEMENTS OF VOTE

When Record No. 17 was taken, I was in the house but away from my desk.
I would have voted no.

Dukes

I was shown voting no on Record No. 17. I intended to vote yes.

Farabee

I was shown voting no on Record No. 17. I intended to vote yes.

Gonzalez Toureilles

When Record No. 17 was taken, I was in the house but away from my desk.
I would have voted yes.

Hopson

When Record No. 17 was taken, I was in the house but away from my desk.
I would have voted no.

Naishtat

When Record No. 17 was taken, I was in the house but away from my desk.
I would have voted no.

Thompson

Amendment No. 94

On behalf of Representative Castro, Representative Martinez Fischer offered the following amendment to **HB 2**:

Floor Packet Page No. 237

Amend **HB 2** in Part D, Article I, by inserting the following appropriately-numbered SECTION to read as follows:

"Section 28.026, Education Code, is amended to read as follows:

"Sec. 28.026, NOTICE OF AUTOMATIC COLLEGE ADMISSION. (a) The board of trustees of a school district shall require each high school in the district to post appropriate signs in each counselor's office, in each principal's office, and in each administrative building indicating the substance of Section 51.803 regarding automatic college admission. To assist in the dissemination of this information, the school district shall:

(1) require that each high school counselor and class advisor be provided a detailed explanation of the substance of Section 51.803;

(2) require that each high school counselor and senior class advisor explain to eligible students the substance of Section 51.803; and

(3) 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-round system under Section 25.084, provide each eligible senior student Section 51.8093 and the student's parent or guardian [~~at the commencement of a class's senior year,~~] with a written notification of the student's eligibility with a detailed explanation in plain language of the substance of Section 51.803.

(b) The agency shall adopt a form to use in providing notice under Subsection (a) (3). 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.

Amendment No. 94 was adopted.

Amendment No. 95

On behalf of Representative Castro, Representative Martinez Fischer offered the following amendment to **HB 2**:

Floor Packet Page No. 119

Amend **HB 2** on page 68, line 19, by inserting the following text after the word "plans":

", including:

(1) whether the student is planning to apply or has applied for admission to a postsecondary educational institution;

(2) the name of any postsecondary educational institution to which the student is planning to apply or has applied for admission, if applicable;

(3) the name of any postsecondary educational institution to which the student has been accepted for admission, if applicable;

(4) the name of the postsecondary educational institution to which the student has been accepted for admission and is planning to attend, if applicable:"

Amendment No. 96

On behalf of Representative Castro, Representative Martinez Fischer offered the following amendment to Amendment No. 95:

Amend the Castro amendment to **HB 2** (amendment packet, page 119) by striking the text of the amendment and substituting the following:

Amend **HB 2** by adding the following appropriately numbered section to Part B, Article 2, of the bill, and renumbering the subsequent sections of Part B, Article 2, accordingly:

SECTION 2B. Subchapter B, Chapter 7, Education Code, is amended by adding Section 7.031 to read as follows:

Sec. 7.031. POSTSECONDARY EDUCATION SURVEY. (a) The agency shall develop a postsecondary education survey that a public high school may use to monitor the postsecondary education plans of seniors at the high school.

(b) Not later than January 1, 2006, the agency shall post the survey developed under Subsection (a) on the agency's website. As soon as practicable after posting the survey on the website, the agency shall notify each school district that is located in a municipality with a population of at least one million of the availability of the survey.

(c) A counselor at a high school may administer the survey to seniors. The survey must include questions to obtain the following information:

(1) whether the student is planning to apply or has applied for admission to a postsecondary educational institution;

(2) the name of any postsecondary educational institution to which the student is planning to apply or has applied for admission, if applicable;

(3) the name of any postsecondary educational institution to which the student has been accepted for admission, if applicable; and

(4) the name of the postsecondary educational institution to which the student has been accepted for admission and is planning to attend, if applicable.

(d) This section expires August 1, 2008.

Amendment No. 96 was withdrawn.

Amendment No. 95 was withdrawn.

Amendment No. 97

Representative Geren offered the following amendment to **HB 2**:

Floor Packet Page No. 265

Amend **HB 2** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION __. Section 37.004 (g), Education Code, is repealed.

Amendment No. 98

Representative Geren offered the following amendment to Amendment No. 97:

Amend the Geren amendment to **HB 2** on page 265 of the floor packet as follows:

(1) Strike lines 5 and 6 and substitute the following SECTION and renumber subsequent SECTIONS accordingly:

Section __. Chapter 34, Education Code, is amended by adding Sec. 34.008 (e) and (f) to read as follows:

(e) Notwithstanding any other provision of this subchapter, in a county with a juvenile justice alternative education program established under Section 37.011, the expulsion under a provision of Section 37.007 described by this subsection of a student with a disability who receives special education services must occur in accordance with this subsection and Subsection (f). The school district from which the student was expelled shall, in accordance with applicable federal law, provide the administrator of the juvenile justice alternative education program 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. A representative of the juvenile justice alternative education program may participate in the meeting to the extent that the meeting relates to the student's placement in the program. This subsection applies only to an expulsion under:

(1) Section 37.007(b), (c), or (f); or

(2) Section 37.007(d) as a result of conduct that contains the elements of any offense listed in Section 37.007(b)(3) against any employee or volunteer in retaliation for or as a result of the person's employment or association with a school district.

(f) If, after placement of a student in a juvenile justice alternative education program under Subsection (e), the administrator of the program 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 school district from which the student was expelled. The student's admission, review, and dismissal committee shall meet to reconsider the placement of the student in the program. The district shall, in accordance with applicable federal law, provide the administrator or designee with reasonable notice of the meeting, and a representative of the program may participate in the meeting to the extent that the meeting relates to the student's continued placement in the program.

(2) Add the following appropriately numbered SECTION and renumber subsequent SECTIONS accordingly:

SECTION __. Section 37.004 (g), Education Code, is repealed.

Amendment No. 98 was adopted.

Amendment No. 97, as amended, was adopted.

Amendment No. 99

Representative Phillips offered the following amendment to **HB 2**:

Floor Packet Page No. 266

Amend **HB 2** by adding the following appropriately numbered section and renumbering the subsequent sections accordingly:

SECTION __. Subsection (e), Section 825.4092, Government Code, is amended to read as follows:

(e) The amounts required to be paid under Subsections (b) and (c) are not required to be paid by a reporting employer for a retiree if:

(1) the retiree was reported under the retirement system rules in effect for the report month of January 2005 by that reporting employer; or

(2) the retiree:

(A) is reported under the retirement system rules for a month during the 2005-2006 school year by that reporting employer;

(B) was reported under the retirement system rules in effect for the report month after January 2005 by a different employer; and

(C) has not, for a report month of January 2005, been reported by any employer other than the two employers described by Paragraph (A) and Paragraph (B) [who has reported under the retirement system rules in effect for the report month of January 2005 by:

~~(1) that reporting employer; or~~

~~(2) another employer, if both employers are school].~~

Amendment No. 99 was withdrawn.

Amendment No. 100

Representative Eissler offered the following amendment to **HB 2**:

Floor Packet Page No. 267

Amend **HB 2** by inserting a new appropriately numbered ARTICLE to read as follows:

ARTICLE ____

DRIVER AND TRAFFIC SAFETY EDUCATION

SECTION __.01. Section 1001.001, Education Code, is amended by amending Subdivisions (2), (3), (4), and (5) and adding Subdivision (13-a) to read as follows:

(2) "Approved driving safety course" means a driving safety course approved by the department [~~commissioner~~].

(3) "Commission" [~~"Commissioner"~~] means the Texas Commission of Licensing and Regulation [~~commissioner of education~~].

(4) "Course provider" means an enterprise that:
 (A) maintains a place of business or solicits business in this state;
 (B) is operated by an individual, association, partnership, or corporation; and

(C) has received an approval for a driving safety course from the department [~~commissioner~~] or has been designated by a person who has received that approval to conduct business and represent the person in this state.

(5) "Department" means the Texas Department of Licensing and Regulation [~~Public Safety~~].

(13-a) "Executive director" means the executive director of the department.

SECTION __.02. Section 1001.002(c), Education Code, is amended to read as follows:

(c) A driver education course is exempt from this chapter, other than Section 1001.055, if the course is:

(1) conducted by a vocational driver training school operated to train or prepare a person for a field of endeavor in a business, trade, technical, or industrial occupation;

(2) conducted by a school or training program that offers only instruction of purely avocational or recreational subjects as determined by the department [~~commissioner~~];

(3) sponsored by an employer to train its own employees without charging tuition;

(4) sponsored by a recognized trade, business, or professional organization with a closed membership to instruct the members of the organization; or

(5) conducted by a school regulated and approved under another law of this state.

SECTION __.03. Sections 1001.003 and 1001.004, Education Code, are amended to read as follows:

Sec. 1001.003. LEGISLATIVE INTENT REGARDING SMALL BUSINESSES. It is the intent of the legislature that commission [agency] rules that affect driver training schools that qualify as small businesses be adopted and administered so as to have the least possible adverse economic effect on the schools.

Sec. 1001.004. COST OF ADMINISTERING CHAPTER. The cost of administering this chapter shall be included in the state budget allowance for the department [agency].

SECTION __.04. Sections 1001.051 and 1001.052, Education Code, are amended to read as follows:

Sec. 1001.051. JURISDICTION OVER SCHOOLS. The department [agency] has jurisdiction over and control of driver training schools regulated under this chapter.

Sec. 1001.052. RULES. The commission [agency] shall adopt [~~and administer~~] comprehensive rules governing driving safety courses, including rules to ensure the integrity of approved driving safety courses and enhance program quality.

SECTION __.05. The heading to Section 1001.053, Education Code, is amended to read as follows:

Sec. 1001.053. POWERS AND DUTIES OF DEPARTMENT [COMMISSIONER].

SECTION __.06. Section 1001.053(a), Education Code, is amended to read as follows:

(a) The department [commissioner] shall:

- (1) administer [~~the policies of~~] this chapter;
- (2) enforce minimum standards for driver training schools under this chapter; and
- (3) [~~adopt and~~] enforce rules adopted by the commission necessary to administer this chapter[~~;~~and

[~~(4) visit a driver training school or course provider and reexamine the school or course provider for compliance with this chapter].~~

SECTION __.07. The heading to Section 1001.054, Education Code, is amended to read as follows:

Sec. 1001.054. RULES RESTRICTING ADVERTISING [~~OR~~ COMPETITIVE BIDDING].

SECTION __.08. Section 1001.054(c), Education Code, is amended to read as follows:

(c) The commission [commissioner] by rule may restrict advertising by a branch location of a driver training school so that the location adequately identifies the primary location of the school in a solicitation.

SECTION __.09. Section 1001.055, Education Code, is amended to read as follows:

Sec. 1001.055. DRIVER EDUCATION CERTIFICATES. (a) The department [~~agency~~] shall print and supply to each licensed or exempt driver education school driver education certificates to be used for certifying completion of an approved driver education course to satisfy the requirements of Section 521.204(a)(2), Transportation Code. The certificates must be numbered serially.

(b) The commission [~~agency~~] by rule shall provide for the design and distribution of the certificates in a manner that, to the greatest extent possible, prevents the unauthorized reproduction or misuse of the certificates.

(c) The department [~~agency~~] may charge a fee of not more than \$4 for each certificate.

SECTION __.10. Subsections (b), (c), (e) and (g), Section 1001.056, Education Code, are amended to read as follows:

(b) The department [~~agency~~] shall provide each licensed course provider with course completion certificate numbers to enable the provider to print and issue [~~agency-approved~~] department-approved uniform certificates of course completion. The certificates must be serial.

(c) The department [~~agency~~] by rule shall provide for the design of the certificates and the distribution of certificate numbers in a manner that, to the greatest extent possible, prevents the unauthorized production or the misuse of the certificates or certificate numbers.

(e) The department [~~agency~~] may charge a fee of not more than \$4 for each course completion certificate number. A course provider that supplies a certificate to an operator shall collect from the operator a fee equal to the amount of the fee paid to the agency for the certificate number.

(g) A course provider shall issue a duplicate certificate by mail or commercial delivery. The department [~~commissioner~~] by rule shall determine the amount of the fee for issuance of a duplicate certificate under this subsection.

SECTION __.11. Section 1001.057, Education Code, is amended to read as follows:

Sec. 1001.057. ELECTRONIC TRANSMISSION OF DRIVING SAFETY COURSE INFORMATION. The department [~~agency~~] shall investigate options to develop and implement procedures to electronically transmit information relating to driving safety courses to municipal and justice courts.

SECTION __.12. Subchapter B, Chapter 1001, Education Code, is amended by adding Section 1001.058 to read as follows:

Sec. 1001.058. DESIGNATION OF PERSON TO ADMINISTER CHAPTER. The executive director may designate a person knowledgeable in the administration of regulating driver training schools to administer this chapter for the department.

SECTION __.13. Sections 1001.101 and 1001.102, Education Code, are amended to read as follows:

Sec. 1001.101. DRIVER EDUCATION COURSE CURRICULUM AND TEXTBOOKS. The commission [~~commissioner~~] by rule shall establish the curriculum and designate the textbooks to be used in a driver education course.

Sec. 1001.102. ALCOHOL AWARENESS INFORMATION. (a) The commission [~~agency~~] by rule shall require that information relating to alcohol awareness and the effect of alcohol on the effective operation of a motor vehicle be included in the curriculum of any driver education course or driving safety course.

(b) In developing rules under this section, the commission [~~agency~~] shall consult with the Department of Public Safety [~~department~~].

SECTION .14. Sections 1001.103(b), (d), and (e), Education Code, are amended to read as follows:

(b) The department [~~agency~~] shall develop standards for a separate school certification and approve curricula for drug and alcohol driving awareness programs that include one or more courses. Except as provided by commission [~~agency~~] rule, a program must be offered in the same manner as a driving safety course.

(d) In accordance with Section 461.013(b), Health and Safety Code, the department [~~agency~~] and the Texas Commission on Alcohol and Drug Abuse shall enter into a memorandum of understanding for the interagency approval of the required curricula.

(e) The commission [~~Notwithstanding Section 1001.056, Subchapter D, and Sections 1001.213 and 1001.303, the commissioner~~] may establish fees in connection with the programs under this section. The fees must be in amounts reasonable and necessary to administer the department's [~~agency's~~] duties under this section.

SECTION .15. Sections 1001.104 and 1001.105, Education Code, are amended to read as follows:

Sec. 1001.104. HOSPITAL AND REHABILITATION FACILITIES. (a) The department [~~agency~~] shall enter into a memorandum of understanding with the Texas Department of Assistive and Rehabilitative Services [~~Rehabilitation Commission~~] and the Department of Public Safety [~~department~~] for the interagency development of curricula and licensing criteria for hospital and rehabilitation facilities that teach driver education.

(b) The department [~~agency~~] shall administer comprehensive rules governing driver education courses adopted by mutual agreement among the commission [~~agency~~], the Texas Department of Assistive and Rehabilitative Services [~~Rehabilitation Commission~~], and the Department of Public Safety [~~department~~].

Sec. 1001.105. TEXAS DEPARTMENT OF INSURANCE. The commission [~~agency~~] shall enter into a memorandum of understanding with the Texas Department of Insurance for the interagency development of a curriculum for driving safety courses.

SECTION .16. Sections 1001.106(b), (c), and (d), Education Code, are amended to read as follows:

(b) The commission [~~commissioner~~] by rule shall provide minimum standards of curriculum relating to operation of vehicles at railroad and highway grade crossings.

(c) Subchapter F, Chapter 51, Occupations Code, Section 51.353, Occupations Code, and Section [Sections 1001.454,] 1001.456 of this code[~~and 1001.553~~] do not apply to a violation of this section or a rule adopted under this section.

(d) Section 51.352, Occupations Code, and Sections [1001.455(a)(6),] 1001.501[~~1001.551, 1001.552,~~] and 1001.554 of this code do not apply to a violation of this section.

SECTION __.17. Section 1001.107, Education Code, is amended to read as follows:

Sec. 1001.107. INFORMATION RELATING TO LITTER PREVENTION.

(a) The commission [~~commissioner~~] by rule shall require that information relating to litter prevention be included in the curriculum of each driver education and driving safety course.

(b) In developing rules under this section, the commission [~~commissioner~~] shall consult the Department of Public Safety [~~department~~].

SECTION __.18. Sections 1001.108(a) and (c), Education Code, are amended to read as follows:

(a) The commission [~~commissioner~~] by rule shall require that information relating to anatomical gifts be included in the curriculum of each driver education course and driving safety course.

(c) In developing rules under this section, the commission [~~commissioner~~] shall consult with the Department of Public Safety [~~department~~] and the [~~Texas~~] Department of State Health Services.

SECTION __.19. Section 1001.151, Education Code, is amended to read as follows:

Sec. 1001.151. APPLICATION, LICENSE, AND REGISTRATION FEES.

(a) The commission [~~commissioner~~] shall establish [~~collect~~] application, license, and registration fees. The fees must be in amounts sufficient to cover administrative costs and are nonrefundable. The department shall collect the application, license, and registration fees.

(b) The commission shall establish a fee for:

(1) an initial driver education school license and [~~is \$1,000 plus \$850~~] for each branch location; [-]

(2) [~~(c) The fee for~~] an initial driving safety school license; [~~is an appropriate amount established by the commissioner not to exceed \$200.~~]

(3) [~~(d) The fee for~~] an initial course provider license [~~is an appropriate amount established by the commissioner not to exceed \$2,000~~], except that the commission [~~agency~~] may waive the fee if revenue received from the course provider is sufficient to cover the cost of licensing the course provider; [-]

(4) the [~~(e) The~~] annual renewal [~~fee~~] for a course provider, driving safety school, driver education school, or branch location [~~is an appropriate amount established by the commissioner not to exceed \$200~~], except that the commission [~~agency~~] may waive the fee if revenue generated by the issuance of

course completion certificate numbers and driver education certificates is sufficient to cover the cost of administering this chapter and Article 45.0511, Code of Criminal Procedure; [-]

(5) [~~(f)~~ The fee for] a change of address of[-

~~(1)~~] a driver education school; [~~is \$180; and~~

~~(2)~~] a driving safety school; or course provider; [~~is \$50.~~

(6) [~~(g)~~ The fee for] a change of name of:

(A) [~~(1)~~] a driver education school or course provider or an owner of a driver education school or course provider [~~is \$100~~]; or [~~and~~

(B) [~~(2)~~] a driving safety school or owner of a driving safety school; [~~is \$50.~~

(7) [~~(h)~~ The application fee for] each additional driver education or driving safety course at a driver training school; [~~is \$25.~~

(8) an [~~(i)~~ The] application of a [~~fee for:~~

~~(1) each~~] director; [~~is \$30; and~~

~~(2) each~~] assistant director; or administrative staff member; and [~~is \$15.~~

(9) an [~~(j)~~ Each] application for approval of a driving safety course that has not been evaluated by the department [~~commissioner must be accompanied by a nonrefundable fee of \$9,000~~];

(10) an application for approval to teach an approved driving safety course by an alternative method.

(c) [~~(k)~~] An application for an original driver education or driving safety instructor license must be accompanied by a processing fee [~~of \$50~~] and an annual license fee [~~of \$25~~], except that the department [~~commissioner~~] may not collect the processing fee from an applicant for a driver education instructor license who is currently teaching a driver education course in a public school in this state.

(d) [~~(l)~~] The commission [~~commissioner~~] shall establish the amount of the fee for a duplicate license.

SECTION __.20. Section 1001.153, Education Code, is amended to read as follows:

Sec. 1001.153. COMPLAINT INVESTIGATION FEE. (a) The commission [~~commissioner~~] shall establish the amount of the fee to investigate a driver training school or course provider to resolve a complaint against the school or course provider.

(b) The fee may be charged only if:

(1) the complaint could not have been resolved solely by telephone or in writing;

(2) a representative of the department [~~agency~~] visited the school or course provider as a part of the complaint resolution process; and

(3) the school or course provider was found to be at fault.

SECTION __.21. Section 1001.202(b), Education Code, is amended to read as follows:

(b) A driving safety school may use multiple classroom locations to teach a driving safety course if each location:

- (1) is approved by the parent school and the department [~~agency~~];
- (2) has the same name as the parent school; and
- (3) has the same ownership as the parent school.

SECTION __.22. Sections 1001.203, 1001.204, 1001.205, and 1001.206, Education Code, are amended to read as follows:

Sec. 1001.203. APPLICATION. To operate or do business in this state, a driver training school must apply to the department [~~commissioner~~] for the appropriate license. The application must:

- (1) be in writing;
- (2) be in the form prescribed by the department [~~commissioner~~];
- (3) include all required information; and
- (4) be verified.

Sec. 1001.204. REQUIREMENTS FOR DRIVER EDUCATION SCHOOL LICENSE. The department [~~commissioner~~] shall approve an application for a driver education school license if, on investigation of the premises of the school, it is determined that the school:

- (1) has courses, curricula, and instruction of a quality, content, and length that reasonably and adequately achieve the stated objective for which the courses, curricula, and instruction are offered;

- (2) has adequate space, equipment, instructional material, and instructors to provide training of good quality in the classroom and behind the wheel;

- (3) has directors, instructors, and administrators who have adequate educational qualifications and experience;

- (4) provides to each student before enrollment:

- (A) a copy of:

- (i) the refund policy;

- (ii) the schedule of tuition, fees, and other charges; and

- (iii) the regulations relating to absence, grading policy, and

rules of operation and conduct; and

- (B) the department's name, mailing address, [~~and~~] telephone number, and Internet website address [~~of the~~] [~~agency~~] for the purpose of directing complaints to the department [~~agency~~];

- (5) maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

- (6) on completion of training, issues each student a certificate indicating the course name and satisfactory completion;

- (7) complies with all county, municipal, state, and federal regulations, including fire, building, and sanitation codes and assumed name registration;

- (8) is financially sound and capable of fulfilling its commitments for training;

- (9) has administrators, directors, owners, and instructors who are of good reputation and character;

(10) maintains and publishes as part of its student enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges if a student fails to take the course or withdraws or is discontinued from the school at any time before completion;

(11) does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(12) does not use a name similar to the name of another existing school or tax-supported educational institution in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(13) submits to the department [~~agency~~] for approval the applicable course hour lengths and curriculum content for each course offered by the school;

(14) does not owe an administrative penalty for a violation of [~~under~~] this chapter; and

(15) meets any additional criteria required by the department [~~agency~~].

Sec. 1001.205. REQUIREMENTS FOR DRIVING SAFETY SCHOOL LICENSE. The department [~~commissioner~~] shall approve an application for a driving safety school license if on investigation the department [~~agency~~] determines that the school:

(1) has driving safety courses, curricula, and instruction of a quality, content, and length that reasonably and adequately achieve the stated objective for which the course, curricula, and instruction are developed by the course provider;

(2) has adequate space, equipment, instructional material, and instructors to provide training of good quality;

(3) has instructors and administrators who have adequate educational qualifications and experience;

(4) maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(5) complies with all county, municipal, state, and federal laws, including fire, building, and sanitation codes and assumed name registration;

(6) has administrators, owners, and instructors who are of good reputation and character;

(7) does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(8) does not use a name similar to the name of another existing school or tax-supported educational establishment in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(9) maintains and uses the approved contract and policies developed by the course provider;

(10) does not owe an administrative penalty for a violation of [~~under~~] this chapter;

(11) will not provide a driving safety course to a person for less than \$30 [~~\$25~~]; and

(12) meets additional criteria required by the department [~~commissioner~~].

Sec. 1001.206. REQUIREMENTS FOR COURSE PROVIDER LICENSE. The department [~~commissioner~~] shall approve an application for a course provider license if on investigation the department [~~agency~~] determines that:

(1) the course provider has an approved course that at least one licensed driving safety school is willing to offer;

(2) the course provider has adequate educational qualifications and experience;

(3) the course provider will:

(A) develop and provide to each driving safety school that offers the approved course a copy of:

(i) the refund policy; and

(ii) the regulations relating to absence, grading policy, and rules of operation and conduct; and

(B) provide to the driving safety school the department's name, mailing address, [~~and~~] telephone number, and Internet website address [~~of the agency~~] for the purpose of directing complaints to the department [~~agency~~];

(4) a copy of the information provided to each driving safety school under Subdivision (3) will be provided to each student by the school before enrollment;

(5) not later than the 15th working day after the date the person successfully completes the course, the course provider [~~will mail~~] shall issue a uniform certificate of course completion by United States mail or commercial delivery to the person indicating the course name and successful completion;

(6) the course provider maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(7) the course provider complies with all county, municipal, state, and federal laws, including assumed name registration and other applicable requirements;

(8) the course provider is financially sound and capable of fulfilling its commitments for training;

(9) the course provider is of good reputation and character;

(10) the course provider maintains and publishes as a part of its student enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges if a student fails to take the course or withdraws or is discontinued from the school at any time before completion;

(11) the course provider does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(12) the course provider does not use a name similar to the name of another existing school or tax-supported educational institution in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(13) the course provider does not owe an administrative penalty for a violation of [~~under~~] this chapter; and

(14) the course provider meets additional criteria required by the department ~~[commissioner]~~.

SECTION __.23. Sections 1001.207(a) and (b), Education Code, are amended to read as follows:

(a) Before a driver education school may be issued a license, the school must file a corporate surety bond with the department ~~[commissioner]~~ in the amount of:

(1) \$10,000 for the primary location of the school;

and

(2) \$5,000 for each branch location.

(b) A bond issued under Subsection (a) must be:

(1) issued in a form approved by the department ~~[commissioner]~~;

(2) issued by a company authorized to do business in this state;

(3) payable to the state to be used only for payment of a refund due to a student or potential student;

(4) conditioned on the compliance of the school and its officers, agents, and employees with this chapter and rules adopted under this chapter; and

(5) issued for a period corresponding to the term of the license.

SECTION __.24. Section 1001.209(b), Education Code, is amended to read as follows:

Section 1001.209(b), Education Code, is amended to read as follows:

(b) A bond issued under Subsection (a) must be:

(1) issued by a company authorized to do business in this state;

(2) payable to the state to be used:

(A) for payment of a refund due a student of the course provider's approved course;

(B) to cover the payment of unpaid fees or penalties assessed by the department ~~[agency]~~; or

(C) to recover any cost associated with providing course completion certificate numbers, including the cancellation of certificate numbers;

(3) conditioned on the compliance of the course provider and its officers, agents, and employees with this chapter and rules adopted under this chapter; and

(4) issued for a period corresponding to the term of the license.

SECTION __.25. Section 1001.210, Education Code, is amended to read as follows:

Sec. 1001.210. ALTERNATE FORM OF SECURITY. Instead of the bond required by Section 1001.207 or 1001.209, a driver education school or course provider may provide another form of security that is:

(1) ~~(A)~~ approved by the department ~~[commissioner]~~; and

(2) ~~(B)~~ in the amount required for a comparable bond under Section 1001.207 or 1001.209.

SECTION __.26. Sections 1001.211(a) and (b), Education Code, are amended to read as follows:

(a) The department ~~[commissioner]~~ shall issue a license to an applicant for a license under this subchapter if:

- (1) the application is submitted in accordance with this subchapter; and
 - (2) the applicant meets the requirements of this chapter.
- (b) A license must be in a form determined by the department [~~commissioner~~] and must show in a clear and conspicuous manner:
- (1) the date of issuance, effective date, and term of the license;
 - (2) the name and address of the driver training school or course provider;
 - (3) the authority for and conditions of approval;
 - (4) the executive director's [~~commissioner's~~] signature; and
 - (5) any other fair and reasonable representation that is consistent with this chapter and that the department [~~commissioner~~] considers necessary.

SECTION __.27. Section 1001.212, Education Code, is amended to read as follows:

Sec. 1001.212. NOTICE OF DENIAL OF LICENSE. The department [~~commissioner~~] shall provide a person whose application for a license under this subchapter is denied a written statement of the reasons for the denial.

SECTION __.28. Sections 1001.213(c) and (d), Education Code, are amended to read as follows:

(c) ~~The commission may establish [instead of the] fees [required by Section 1001.151, the fee] for a new driver education school or course provider license under Subsection (b) and [is \$500, plus \$200] for each branch location that are different from the amounts established under Section 1001.151[.];~~ if:

- (1) the new owner is substantially similar to the previous owner; and
- (2) there is no significant change in the management or control of the driver education school or course provider.

(d) The department [~~commissioner~~] is not required to reinspect a school or a branch location after a change of ownership.

SECTION __.29. Section 1001.214, Education Code, is amended to read as follows:

Sec. 1001.214. DUPLICATE LICENSE. A duplicate license may be issued to a driver training school or course provider if:

- (1) the original license is lost or destroyed; and
- (2) an affidavit of that fact is filed with the department [~~agency~~].

SECTION __.30. Sections 1001.251, 1001.252, and 1001.253, Education Code, are amended to read as follows:

Sec. 1001.251. LICENSE REQUIRED FOR INSTRUCTOR. (a) A person may not teach or provide driver education, either as an individual or in a driver education school, or conduct any phase of driver education, unless the person holds a driver education instructor license issued by the department [~~agency~~].

(b) A person may not teach or provide driving safety training, either as an individual or in a driving safety school, or conduct any phase of driving safety education, unless the person holds a driving safety instructor license issued by the department [~~agency~~]. This subsection does not apply to an instructor of a driving safety course that does not provide a uniform certificate of course completion to its graduates.

Sec. 1001.252. SIGNATURE AND SEAL ON LICENSE REQUIRED. A license under this subchapter must be signed by the executive director [~~commissioner~~].

Sec. 1001.253. DRIVER EDUCATION INSTRUCTOR TRAINING. (a) The department [~~commissioner~~] shall establish standards for certification of professional and paraprofessional personnel who conduct driver education programs in driver education schools.

(b) A driver education instructor license authorizing a person to teach or provide behind-the-wheel training may not be issued unless the person has successfully completed six semester hours of driver and traffic safety education or a program of study in driver education approved by the department [~~commissioner~~] from an approved driver education school.

(c) A person who holds a driver education instructor license authorizing behind-the-wheel training may not be approved to [~~assist a classroom instructor~~] provide instruction in the classroom phase of driver education, under the certification of a classroom instructor, unless the person has successfully completed the three additional semester hours of training required for a classroom instructor or a program of study in driver education approved by the department [~~commissioner~~].

(d) Except as provided by Section 1001.254, a driver education instructor license authorizing a person to teach or provide classroom training may not be issued unless the person:

(1) has completed nine semester hours of driver and traffic safety education or a program of study in driver education approved by the department [~~commissioner~~] from an approved driver education school; and

(2) holds a teaching certificate and any additional certification required to teach driver education.

(e) A driver education instructor who has completed the educational requirements prescribed by Subsection (d)(1) may not teach instructor training classes unless the instructor has successfully completed a supervising instructor development program consisting of at least six additional semester hours or a program of study in driver education approved by the department [~~commissioner~~] that includes administering driver education programs and supervising and administering traffic safety education, except that the supervising teacher may allow driver education teachers and teaching assistants to provide training in areas appropriate for their level of certification or licensure.

(f) A driver education school may submit for department [~~agency~~] approval a curriculum for an instructor development program for driver education instructors. The program must:

(1) be taught by a person who has completed a supervising instructor development program under Subsection (e); and

(2) satisfy the requirements of this section for the particular program or type of training to be provided.

SECTION __.31. Section 1001.254(a), Education Code, is amended to read as follows:

(a) A temporary driver education instructor license may be issued authorizing a person to teach or provide classroom driver education training if the person:

- (1) has completed the educational requirements prescribed by Section 1001.253(d)(1);
- (2) holds a Texas teaching certificate with an effective date before February 1, 1986;
- (3) meets all license requirements, other than successful completion of the examination required under rules adopted by the State Board for Educator Certification to revalidate the teaching certificate; and
- (4) demonstrates, in a manner prescribed by the department [~~commissioner~~], the intention to comply with the examination requirement at the first available opportunity.

SECTION __.32. Sections 1001.255(a), (b), and (c), Education Code, are amended to read as follows:

(a) The department [~~agency~~] shall regulate as a driver education school a driver education instructor who:

- (1) teaches driver education courses in a county having a population of 50,000 or less; and
- (2) does not teach more than 200 students annually.

(b) An instructor described by Subsection (a) must submit to the department [~~agency~~] an application for an initial or renewal driver education school license, together with all required documentation and information.

(c) The department [~~commissioner~~] may waive initial or renewal driver education school license fees or the fee for a director or administrative staff member.

SECTION __.33. Section 1001.256, Education Code, is amended to read as follows:

Sec. 1001.256. DUPLICATE LICENSE. A duplicate license may be issued to a driver education instructor or driving safety instructor if:

- (1) the original license is lost or destroyed; and
- (2) an affidavit of that fact is filed with the department [~~agency~~].

SECTION __.34. The heading to Subchapter G, Chapter 1001, Education Code, is amended to read as follows:

SUBCHAPTER G. LICENSE EXPIRATION [~~AND RENEWAL~~]

SECTION __.35. Sections 1001.351(b), Education Code, are amended to read as follows:

(b) A course provider shall electronically submit to the department [~~agency~~] in the manner established by the department [~~agency~~] data identified by the department [~~agency~~] relating to uniform certificates of course completion issued by the course provider.

SECTION __.36. Section 1001.352, Education Code, is amended to read as follows:

Sec. 1001.352. FEES FOR DRIVING SAFETY COURSE. (a) A course provider shall charge each student:

- (1) at least \$26 [~~\$25~~] for a driving safety course; and

(2) a fee of at least \$4, [~~\$2~~] which shall be retained by the course provider to be used solely for course materials and for supervising and administering the course as required by this chapter and the rules of the commission.

(b) The department shall periodically audit course providers to verify compliance with this subsection. A course provider shall make its books and records available to the department as needed to verify compliance with this section and failure to do so may be enforced pursuant to Subchapter J.

SECTION __.37. Sections 1001.354(a) and (b), Education Code, are amended to read as follows:

(a) A driving safety course may be taught at a driving safety school if the school is approved by the department [~~agency~~].

(b) A driving safety school may teach an approved driving safety course by an alternative method that does not require students to be present in a classroom if the department [~~commissioner~~] approves the alternative method. The department [~~commissioner~~] may approve the alternative method if:

(1) the department [~~commissioner~~] determines that the approved driving safety course can be taught by the alternative method; and

(2) the alternative method includes testing and security measures that are at least as secure as the measures available in the usual classroom setting.

SECTION __.38. Sections 1001.404(b) and (c), Education Code, are amended to read as follows:

(b) The department [~~commissioner~~] shall establish annually the rate of interest for a refund at a rate sufficient to provide a deterrent to the retention of student money.

(c) The department [~~agency~~] may except a driver education school or course provider from the payment of interest if the school or course provider makes a good-faith effort to refund tuition, fees, and other charges but is unable to locate the student to whom the refund is owed. On request of the department [~~agency~~], the school or course provider shall document the effort to locate a student.

SECTION __.39. Sections 1001.451 and 1001.452, Education Code, are amended to read as follows:

Sec. 1001.451. PROHIBITED PRACTICES. A person may not:

(1) use advertising designed to mislead or deceive a prospective student;

(2) fail to notify the department [~~commissioner~~] of the discontinuance of the operation of a driver training school before the fourth working day after the date of cessation of classes and make available accurate records as required by this chapter;

(3) issue, sell, trade, or transfer:

(A) a uniform certificate of course completion or driver education certificate to a person or driver training school not authorized to possess the certificate;

(B) a uniform certificate of course completion to a person who has not successfully completed an approved, six-hour driving safety course; or

(C) a driver education certificate to a person who has not successfully completed a department-approved [~~commissioner-approved~~] driver education course;

(4) negotiate a promissory instrument received as payment of tuition or another charge before the student completes 75 percent of the course, except that before that time the instrument may be assigned to a purchaser who becomes subject to any defense available against the school named as payee; or

(5) conduct any part of an approved driver education course or driving safety course without having an instructor physically present in appropriate proximity to the student for the type of instruction being given.

Sec. 1001.452. COURSE OF INSTRUCTION. A driver education [~~training~~] school shall may not enroll a student[~~maintain, advertise, solicit for,~~] or conduct a course of instruction in this state before [~~the later of~~]:

(1) the 30th day after the date the school applies for a driver training school license; [~~or~~]

(2) the date the school receives a driver education [~~training~~] school license from the department [~~commissioner~~]; and

(3) the facilities and equipment are inspected and approved by the department.

SECTION __.40. Sections 1001.453(d) and (e), Education Code, are amended to read as follows:

(d) Subchapter F, Chapter 51, Occupations Code, Section 51.353, Occupations Code, and Section [~~Sections 1001.454,~~] 1001.456(a) of this code [~~;~~ and ~~1001.553~~] do not apply to a violation of this section or a rule adopted under this section.

(e) Section 51.352, Occupations Code, and Sections [~~1001.455(a)(6),~~] 1001.501[~~, 1001.551, 1001.552,~~] and 1001.554 of this code do not apply to a violation of this section.

SECTION __.41. Section 1001.456, Education Code, is amended to read as follows:

Sec. 1001.456. OTHER DISCIPLINARY ACTIONS. (a) If the department [~~agency~~] believes that a driver education school or instructor has violated this chapter or a rule or order of the commission or executive director [~~adopted under this chapter~~], the department [~~agency~~] may, without notice:

(1) order a peer review;

(2) suspend the enrollment of students in the school or the offering of instruction by the instructor; or

(3) suspend the right to purchase driver education certificates.

(b) If the department [~~agency~~] believes that a course provider, driving safety school, or driving safety instructor has violated this chapter or a rule or order of the commission or executive director [~~adopted under this chapter~~], the department [~~agency~~] may, without notice:

(1) order a peer review of the course provider, driving safety school, or driving safety instructor;

(2) suspend the enrollment of students in the school or the offering of instruction by the instructor; or

(3) suspend the right to purchase course completion certificate numbers.

(c) A peer review ordered under this section must be conducted by a team of knowledgeable persons selected by the department [~~agency~~]. The team shall provide the department [~~agency~~] with an objective assessment of the content of the school's or course provider's curriculum and its application. The school or course provider shall pay the costs of the peer review.

(d) A suspension of enrollment under Subsection (a)(2) or (b)(2) means a ruling by the executive director [~~commissioner~~] that restricts a school from:

- (1) accepting enrollments or reenrollments;
- (2) advertising;
- (3) soliciting; or
- (4) directly or indirectly advising prospective students of its program or course offerings.

SECTION __.42. The heading to Subchapter L, Chapter 1001, Education Code, is amended to read as follows:

SUBCHAPTER L. PENALTIES [~~AND ENFORCEMENT PROVISIONS~~]

SECTION __.43. Section 1001.555, Education Code, is amended to read as follows:

(a) A person commits an offense if the person knowingly sells, trades, issues, or otherwise transfers, or possesses with intent to sell, trade, issue, or otherwise transfer, a uniform certificate of course completion, including a duplicate certificate, a course completion certificate number, including a duplicate number, or a driver education certificate to an individual, firm, or corporation not authorized to possess the certificate or number.

(b) The department [~~agency~~] shall contract with the Department of Public Safety [~~department~~] to provide undercover and investigative assistance in the enforcement of Subsection (a).

(c) A person commits an offense if the person knowingly possesses a uniform certificate of course completion, including a duplicate certificate, a course completion certificate number, including a duplicate number, or a driver education certificate and is not authorized to possess the certificate or number.

SECTION __.44. Article 45.0511(b), Code of Criminal Procedure, is amended to read as follows:

(b) The judge shall require the defendant to successfully complete a driving safety course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~] or a course under the motorcycle operator training and safety program approved by the designated state agency under Chapter 662, Transportation Code, if:

- (1) the defendant elects driving safety course or motorcycle operator training course dismissal under this article;
- (2) the defendant has not completed an approved driving safety course or motorcycle operator training course, as appropriate, within the 12 months preceding the date of the offense;

(3) the defendant enters a plea under Article 45.021 in person or in writing of no contest or guilty on or before the answer date on the notice to appear and:

(A) presents in person or by counsel to the court a request to take a course; or

(B) sends to the court by certified mail, return receipt requested, postmarked on or before the answer date on the notice to appear, a written request to take a course;

(4) the defendant has a valid Texas driver's license or permit;

(5) the defendant is charged with an offense to which this article applies, other than speeding 25 miles per hour or more over the posted speed limit; and

(6) the defendant provides evidence of financial responsibility as required by Chapter 601, Transportation Code.

SECTION __.45. Section 51.308, Education Code, is amended to read as follows:

Sec. 51.308. DRIVER EDUCATION. A driver education course for the purpose of preparing students to obtain a driver's license may be offered by an institution of higher education, as defined by Section 61.003, with the approval of the Texas Department of Licensing and Regulation [~~Central Education Agency~~].

SECTION __.46. Section 521.1655(a), Transportation Code, is amended to read as follows:

(a) A driver education school licensed under Chapter 1001, Education Code, [~~the Texas Driver and Traffic Safety Education Act (Article 4413(29c), Vernon's Texas Civil Statutes)~~] may administer to a student of that school the vision, highway sign, and traffic law parts of the examination required by Section 521.161.

SECTION __.47. Section 521.203, Transportation Code, is amended to read as follows:

Sec. 521.203. RESTRICTIONS ON CLASS A AND B LICENSES. The department may not issue a Class A or Class B driver's license to a person who:

(1) is under 17 years of age;

(2) is under 18 years of age unless the person has completed a driver training course approved by the Texas Department of Licensing and Regulation [~~Central Education Agency~~]; or

(3) has not provided the department with an affidavit, on a form prescribed by the department, that states that no vehicle that the person will drive that requires a Class A or Class B license is a commercial motor vehicle as defined by Section 522.003.

SECTION __.48. Subsection 521.204(a), Transportation Code, is amended to read as follows:

Sec. 521.204. RESTRICTIONS ON MINOR. (a) The department may issue a Class C driver's license to an applicant under 18 years of age only if the applicant:

(1) is 16 years of age or older;

(2) has submitted to the department a driver education certificate issued under Section 1001.055, Education Code [~~Section 9A, Texas Driver and Traffic Safety Education Act (Article 4413(29e), Vernon's Texas Civil Statutes)~~], that states that the person has completed and passed a driver education course approved by the department under Section 521.205 or by the Texas Department of Licensing and Regulation [~~Education Agency~~];

(3) has obtained a high school diploma or its equivalent or is a student:

(A) enrolled in a public school, home school, or private school who attended school for at least 80 days in the fall or spring semester preceding the date of the driver's license application; or

(B) who has been enrolled for at least 45 days, and is enrolled as of the date of the application, in a program to prepare persons to pass the high school equivalency exam; and

(4) has passed the examination required by Section 521.161.

SECTION .49. Sections 521.205(b) and (d), Transportation Code, are amended to read as follows:

(b) The department may not approve a course unless it determines that the course materials are at least equal to those required in a course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~], except that the department may not require that:

(1) the classroom instruction be provided in a room with particular characteristics or equipment; or

(2) the vehicle used for the behind-the-wheel instruction have equipment other than the equipment otherwise required by law for operation of the vehicle on a highway while the vehicle is not being used for driver training.

(d) Completion of a driver education course approved under this section has the same effect under this chapter as completion of a driver education course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~].

SECTION .50. Subsections 521.222(a) and (c), Transportation Code, are amended to read as follows:

Sec. 521.222. INSTRUCTION PERMIT. (a) The department or a driver education school licensed under Chapter 1001, Education Code, [~~the Texas Driver and Traffic Safety Education Act (Article 4413(29e), Vernon's Texas Civil Statutes)~~] may issue an instruction permit, including a Class A or Class B driver's license instruction permit, to a person who:

(1) is 15 years of age or older but under 18 years of age;

(2) has satisfactorily completed and passed the classroom phase of an approved driver education course, which may be a course approved under Section 521.205;

(3) meets the requirements imposed under Section 521.204(3); and

(4) has passed each examination required under Section 521.161 other than the driving test.

(c) A driver education school may issue an instruction permit to a person 18 years of age or older who has successfully passed:

(1) a six-hour adult classroom driver education course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~]; and

(2) each part of the driver's examination required by Section 521.161 other than the driving test.

SECTION .51. Sections 1001.001(1), 1001.053(b) and (c), 1001.054(a) and (b), 1001.152, 1001.303, 1001.454, 1001.455, 1001.457, 1001.458, 1001.459, 1001.460, 1001.461, 1001.551, 1001.552, and 1001.553, Education Code, and Subchapter B, Chapter 543, Transportation Code, are repealed.

SECTION .52. (a) As soon as practicable after the effective date of this Act, the Texas Education Agency and the Texas Department of Licensing and Regulation shall develop a transition plan for transferring the functions performed by the Texas Education Agency under Chapter 1001, Education Code, to the Texas Department of Licensing and Regulation. The transition plan must include a timetable with specific steps and deadlines needed to complete the transfer.

(b) In accordance with the transition plan developed by the Texas Education Agency and the Texas Department of Licensing and Regulation under Subsection (a) of this section, on January 1, 2006:

(1) all functions and activities relating to Chapter 1001, Education Code, performed by the Texas Education Agency immediately before that date are transferred to the Texas Department of Licensing and Regulation;

(2) a rule or form adopted by the commissioner of education that relates to Chapter 1001, Education Code, is a rule or form of the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable, and remains in effect until amended or replaced by that commission or department;

(3) a reference in law to or an administrative rule of the Texas Education Agency that relates to Chapter 1001, Education Code, means the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable;

(4) a complaint, investigation, or other proceeding before the Texas Education Agency that is related to Chapter 1001, Education Code, is transferred without change in status to the Texas Department of Licensing and Regulation, and the Texas Department of Licensing and Regulation assumes, as appropriate and without a change in status, the position of the Texas Education Agency in an action or proceeding to which the Texas Education Agency is a party;

(5) any employee of the Texas Education Agency who is primarily involved in administering Chapter 1001, Education Code, becomes an employee of the Texas Department of Licensing and Regulation at the discretion of the department;

(6) all money, contracts, leases, property, and obligations of the Texas Education Agency related to Chapter 1001, Education Code, are transferred to the Texas Department of Licensing and Regulation;

(7) all property in the custody of the Texas Education Agency related to Chapter 1001, Education Code, is transferred to the Texas Department of Licensing and Regulation; and

(8) the unexpended and unobligated balance of any money appropriated by the legislature for the Texas Education Agency related to Chapter 1001, Education Code, is transferred to the Texas Department of Licensing and Regulation.

(c) Before January 1, 2006, the Texas Education Agency may agree with the Texas Department of Licensing and Regulation to transfer any property of the Texas Education Agency to the Texas Department of Licensing and Regulation to implement the transfer required by this Act.

(d) In the period beginning with the effective date of this Act and ending on January 1, 2006, the Texas Education Agency shall continue to perform functions and activities under Chapter 1001, Education Code, as if that chapter had not been amended by this Act, and the former law is continued in effect for that purpose.

SECTION __.53. Before December 31, 2007, the department shall perform a complete review and approval of each six-hour driving safety course and alternative delivery method approved before July 1, 2005, to verify compliance with Chapter 1001, Education Code, and the rules of the department applicable to the course or method. The department shall charge each course provider and alternative method owner the fee applicable to an application for initial approval of a driving safety course, which is appropriated to the department to administer the requirements of this subsection. The department may revoke the approval of any course or alternative delivery method that is not in compliance. This section does not apply to a specialized driving safety course approved by the Texas Education Agency that includes four hours of instruction that encourages the use of child passenger safety seat systems and the wearing of seat belts.

SECTION __.54. The changes in law made by this article apply only to a fee charged on or after January 1, 2006. A fee charged before January 1, 2006, is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

SECTION __.55. The changes in law made by this article apply only to a license issued or renewed on or after January 1, 2005. An issuance or renewal that occurs before January 1, 2005, is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

Amendment No. 100 was adopted. (The vote was reconsidered later today, and Amendment No. 100 was withdrawn.)

Amendment No. 101

Representative Coleman offered the following amendment to **HB 2**:

Floor Packet Page No. 244

Amend **HB 2** on page 101, immediately after line 27, by inserting the following appropriately numbered SECTION:

SECTION 2B.__. Subchapter C, Chapter 37, Education Code, is amended by adding Section 37.085 to read as follows:

Sec. 37.085. STUDY ON BULLYING AND DISCRIMINATION. (a) The agency shall conduct a study on the prevalence in public schools of bullying and discrimination based on the ethnicity, color, gender, gender identity, sexual preference, disability, religion, or national origin of a student or a student's parent.

(b) The agency shall deliver a report describing the results of the study to the legislature not later than January 1, 2007.

(c) This section expires June 1, 2007.

Amendment No. 102

Representative Coleman offered the following amendment to Amendment No. 101:

Amend amendment on page 244 as follows:

(1) on line 5, strike the word "study" and replace it with the word "report."

(2) on line 6, strike the words "conduct a study" and replace it with the words "collect data."

(3) on line 6, insert the words "reasons for and" between the word "the" and the word "prevalence"

(4) on line 6, insert the words "of bullying and discrimination" between the word "prevalence" and the word "in"

(5) on lines 6-9, strike the words "of bullying and discrimination based on ethnicity, color, gender, gender identity, sexual preference, disability, religion or national origin of a student or a student's parent."

(6) on line 10, insert the words "on the data collected"

(7) on line 11, strike the words "Of the study"

(8) Between lines 11 and 12, insert the following:

(b-1) The commissioner shall 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.

Amendment No. 102 was adopted.

Amendment No. 101, as amended, was adopted. (Hartnett, Swinford, and Woolley recorded voting no.)

Amendment No. 103

Representative Van Arsdale offered the following amendment to **HB 2**:
Floor Packet Page No. 104

Amend **HB 2** as follows:

(1) On page 53, line 24, strike "Subsection" and substitute "Subsections (b-1) and".

(2) On page 53, between lines 24 and 25, insert the following:

(b-1) An election for the issuance of bonds under Section 45.001 must 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.

(3) On page 62, after line 26, insert the following appropriately numbered section to Part A, Article 1, of the bill:

SECTION 1A. __. 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.

Amendment No. 103 was adopted.

Amendment No. 104

Representative Giddings offered the following amendment to **HB 2**:

Floor Packet Page No. 83

Amend **HB 2**, on Page 17, strike Line 3 through Line 10, and substitute in lieu thereof the following:

Sec. 42.201. TRANSPORTATION ALLOTMENT. (a) Each school district or county operating a regular transportation system is entitled to an allotment per mile for each approved route mile traveled by the system in an amount that corresponds to the overall average daily attendance of that school district, or to the overall average daily attendance of that county, using an equitable formula to be established by the Texas Education Agency.

(b) If the amount of an allotment under this section that a school district or county receives exceeds the district's or county's true and actual cost of operating the transportation system, the district or county may use the excess funds for any legal purpose, but must report the amount of excess to the Texas Education Agency.

Amendment No. 105

Representative Giddings offered the following amendment to Amendment No. 104:

Amend FLOOR AMENDMENT No. 104 to **HB 2**, by striking Line 3 through Line 11 of that FLOOR AMENDMENT, and substituting in lieu thereof the following:

Sec. 42.201. TRANSPORTATION ALLOTMENT. (a) Subject to Subsection (b), a school district is entitled to a transportation allotment in an amount determined by whichever of the following formulas results in the greatest allotment:

(1) $TA = ADA \times 95$; or

(2) $TA = ADA \times 95 \times (DMS/ADMS)$

where:

"TA" is the allotment to which the district is entitled;

"ADA" is the number of students in average daily attendance in the district;
"DMS" is the district number of square miles per student in average daily attendance, which is computed by dividing the number of square miles in the district by the number of students in average daily attendance in the district; and
"ADMS" is the average district number of square miles per student in average daily attendance, which is computed by dividing the sum of each school district's number of square miles per student in average daily attendance by the number of districts in the state.

(b) A school district may not receive a transportation allotment that exceeds \$1,000 per student in average daily attendance.

Sec. 42.202. TRANSPORTATION ALLOTMENT FOR TEXAS SCHOOL FOR THE DEAF. The Texas School for the Deaf is entitled to an allotment under this subchapter. The commissioner shall determine the appropriate allotment.

Sec. 42.203. USE OF TRANSPORTATION ALLOTMENT. A school district is not required to use funds allotted under this subchapter in providing transportation services.

(Branch in the chair)

Amendment No. 105 was withdrawn.

Amendment No. 104 was withdrawn.

(Speaker in the chair)

Amendment No. 100 - Vote Reconsidered

Representative Eissler moved to reconsider the vote by which Amendment No. 100 was adopted.

The motion to reconsider prevailed.

Amendment No. 100 was withdrawn.

A record vote was requested.

HB 2, as amended, was passed to engrossment by (Record 18): 77 Yeas, 69 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Callegari; Campbell; Chavez; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goodman; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pickett; Pitts; Quintanilla; Reyna; Riddle; Seaman; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Brown, F.; Burnam; Casteel; Castro; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goolsby; Griggs; Guillen; Hamilton;

Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Puente; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

Absent — Phillips.

STATEMENT OF VOTE

When Record No. 18 was taken, I was in the house but away from my desk. I would have voted no.

Phillips

HB 2 ON THIRD READING

(by Grusendorf)

CONSTITUTIONAL RULE SUSPENDED

Representative Oliveira moved to suspend the constitutional rule requiring bills to be read on three several days and to place **HB 2** on its third reading and final passage.

The motion prevailed by (Record 19): 140 Yeas, 4 Nays, 1 Present, not voting.

Yeas — Allen, A.; Allen, R.; Alonzo; Anchia; Anderson; Bailey; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Castro; Chisum; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Herrero; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jackson; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King, P.; King, T.; Kolkhorst; Krusee; Kuempel; Laubenberg; Leibowitz; Luna; Madden; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Merritt; Miller; Morrison; Mowery; Naishtat; Nixon; Oliveira; Olivo; Orr; Otto; Paxton; Peña; Phillips; Pickett; Pitts; Puente; Quintanilla; Reyna; Riddle; Ritter; Rodriguez; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Strama; Straus; Swinford; Talton; Taylor; Thompson; Truitt; Turner; Uresti; Van Arsdale; Veasey; Villarreal; Vo; West; Wong; Woolley; Zedler.

Nays — Farrar; Moreno, P.; Noriega, M.; Raymond.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

Absent — Burnam; Chavez; Laney.

STATEMENT OF VOTE

When Record No. 19 was taken, I was in the house but away from my desk. I would have voted yes.

Chavez

The speaker laid **HB 2** before the house on its third reading and final passage.

A record vote was requested.

HB 2 was read third time and was passed by (Record 20): 77 Yeas, 70 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Callegari; Campbell; Chavez; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Gattis; Goodman; Grusendorf; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hughes; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pickett; Pitts; Quintanilla; Reyna; Riddle; Seaman; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Brown, F.; Burnam; Casteel; Castro; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goolsby; Griggs; Guillen; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Puente; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Menendez.

HR 38 - ADOPTED

(by Menendez)

Representative Giddings moved to suspend all necessary rules to take up and consider at this time **HR 38**.

The motion prevailed.

The following resolution was laid before the house:

HR 38, Congratulating Chad E. Moore on his commission as a Texas game warden.

HR 38 was adopted.

HCR 14 - ADOPTED
(by Taylor)

Representative Taylor moved to suspend all necessary rules to take up and consider at this time **HCR 14**.

The motion prevailed.

The following resolution was laid before the house:

HCR 14

WHEREAS, Section 17, Article III, Texas Constitution, provides that neither house of the legislature may adjourn for more than three days without consent of the other house; now, therefore, be it

RESOLVED, by the 79th Legislature, First Called Session, that each house grant the other permission to adjourn for more than three days during the period beginning on June 29, 2005, and ending on July 5, 2005.

HCR 14 was adopted.

COMMITTEE MEETING ANNOUNCEMENTS

The following committee meetings were announced:

Appropriations, 10 a.m. tomorrow, E1.030, for a formal meeting, to consider **HB 1**.

Environmental Regulation, upon adjournment today, Desk 69, for a formal meeting, to consider **HB 39**.

24 HOUR POSTING RULE SUSPENDED

Representative Giddings moved to suspend the 24 hour posting rule to allow the Committee on Business and Industry to consider previously posted business at 11 a.m. tomorrow instead of the posted time of 3 p.m. in E2.026.

The motion prevailed.

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

Business and Industry, 11 a.m. tomorrow, E2.026, for a public hearing, to consider previously posted business for the 3 p.m. hearing.

PROVIDING FOR ADJOURNMENT

Representative Phillips moved that, at the conclusion of the reading of bills and resolutions on first reading and referral to committees and pending the receipt of messages from the senate, the house adjourn until 12 p.m. Tuesday, July 5.

The motion prevailed.

**BILLS AND JOINT RESOLUTIONS ON FIRST READING
AND REFERRAL TO COMMITTEES
RESOLUTIONS REFERRED TO COMMITTEES**

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 1.)

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 1).

ADJOURNMENT

In accordance with a previous motion, the house, at 1:57 p.m. Thursday June 30, adjourned until 12 p.m. Tuesday, July 5.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

HB 55 (By Callegari and Turner), Relating to the requirements for a junior college district to annex territory by election.

To Higher Education.

HB 56 (By Miller), Relating to the ad valorem taxation of certain property that is part of a rail facility owned by certain rural rail transportation districts.

To Ways and Means.

HB 57 (By Alonzo), Relating to a grant program to assist certain persons to become certified to teach in bilingual education programs and to teach in public schools with a shortage of certified bilingual education teachers.

To Higher Education.

HB 58 (By Flores), Relating to authorizing the operation of video lottery games on behalf of this state to provide additional money to fund public education and other governmental programs; the creation, powers, and duties of the Texas Gaming and Boxing Commission; the powers and duties of the Texas Lottery Commission, the Texas Racing Commission, and the Texas Commission of Licensing and Regulation, and the regulation of other gambling activities in this state; appropriating money; providing penalties.

To Ways and Means.

HB 59 (By Blake), Relating to authorizing the issuance of revenue bonds for Stephen F. Austin State University.

To Higher Education.

HB 60 (By Coleman), Relating to discrimination by public educational institutions and a report regarding bullying in the public schools.

To Public Education.

HB 61 (By Hughes), Relating to the minimum salary for public school teachers, librarians, counselors, and nurses.

To Public Education.

HB 62 (By Escobar), Relating to the composition of the Brooks County Juvenile Board.

To Judiciary.

HB 63 (By Escobar), Relating to the appropriation for the state contribution for retirement for public education employees for fiscal years 2006 and 2007.

To Appropriations.

HB 64 (By M. Noriega), Relating to residential property exemptions from assessments and impact fees in the Greater East End Management District.

To Urban Affairs.

HJR 18 (By Flores), Proposing a constitutional amendment authorizing the state to operate video lottery games at certain racetracks and on Indian lands to provide additional money to fund public education and other governmental programs.

To Ways and Means.

HJR 19 (By Corte), Proposing a constitutional amendment to prohibit a political subdivision from taking private property for the primary purpose of economic development.

To Land and Resource Management.

HR 11 (By Dawson), In memory of Ella Diggs of Brazoria County.

To Rules and Resolutions.

HR 12 (By Hughes), Honoring Captain Charlie Sanders of Wood County on his retirement from the Holly Lake Volunteer Fire Department.

To Rules and Resolutions.

HR 13 (By Hughes), Honoring Russ and Jeanette Bruner on the occasion of their 50th wedding anniversary.

To Rules and Resolutions.

HR 14 (By Hughes), Congratulating Jim Devine on his retirement as fire chief of the Holly Lake Volunteer Fire Department.

To Rules and Resolutions.

HR 15 (By Escobar), Congratulating Thomas "Tommy" R. Wolfe of Raymondville on being named the Valley Morning Star All-Valley Male Athlete of the Year for 2005.

To Rules and Resolutions.

MESSAGES FROM THE SENATE

The following messages from the senate were today received by the house:

Message No. 1

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Thursday, June 30, 2005

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HB 2 Grusendorf SPONSOR: Shapiro
Relating to public education and public school finance matters; imposing criminal penalties.
(COMMITTEE SUBSTITUTE/AMENDED)

HCR 14 Taylor SPONSOR: Whitmire
Granting the legislature permission to adjourn for more than three days during the period beginning on Wednesday, June 29, 2005, and ending on Tuesday, July 5, 2005.
(AMENDED)

Respectfully,
Patsy Spaw
Secretary of the Senate

APPENDIX

SENT TO THE SECRETARY OF THE STATE

June 28 - HCR 11