



25 Apr-6 PM 09:18
HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. _____

BY: Hopper

Amend C.S.S.B. 1 on Page III-5, in the bill pattern of the Texas Education Agency, strike Rider 3, Foundation School Program Funding, and substitute the following new rider:

- “3. Foundation School Program Funding.** In addition to funds appropriated above, the Foundation School Program is funded with local school district tax revenue. Local school district tax rates are adopted by locally elected school board trustees. Local school property tax rates are not set by the Legislature.

Out of the funds appropriated above, and any other funds appropriated for the Foundation School Program during the 2026-27 biennium, a total of \$38,048,682,535 in fiscal year 2026 and \$37,590,669,007 in fiscal year 2027 shall represent the sum-certain appropriation to the Foundation School Program. The total appropriation may not exceed the sum-certain amount. This appropriation includes allocations under Texas Education Code, Chapters 46, 48 and 49. Any unexpended balances remaining as of August 31, 2026, are appropriated to the Property Tax Relief Fund and may be used only to reduce the State Compression Percentage pursuant to Section 48.255 of the Education Code.

Formula Funding: The Commissioner shall make allocations to local school districts under Chapters 46, 48 and 49 based on:

- (a) estimates of average daily attendance provided by the Texas Education Agency in March 2025;
- (b) local district tax rates as determined by the Legislative Budget Board;
- (c) final tax year 2024 property values; and
- (d) assumed increases in property values, and the estimates of local tax collections on which they are based, as estimated by the Comptroller of Public Accounts, of 5.50 percent for tax year 2025 and by 4.94 percent for tax year 2026.

The estimates identified in subsections (a) - (d) are projections provided by the Comptroller of Public Accounts and Texas Education Agency and used solely to determine initial state aid payments to school districts, and do not factor into the calculations of local tax base changes. Actual property value changes are determined by local appraisal districts.

Not later than October 1, 2026, and pursuant to Texas Education Code, Section 48.269, the TEA shall submit to the LBB estimates of student attendance and projections for allotments under Texas Education Code Sections 48.107, 48.110, 48.112, 48.114, 48.151, 48.153, 48.155, 48.156, 48.307, and 48.308.

Not later than October 1, 2026, and pursuant to Texas Education Code, Section 48.269, the CPA shall submit to the LBB estimated statewide taxable property value for tax years 2025 and 2026, including estimated growth of taxable value from tax year 2025 to tax year 2026, and projected statewide taxable property value for tax years 2027 and 2028.

To the extent that estimates provided for in subsections (a) - (d) above differ from a school district's actual average daily attendance, tax rates, property values, or local tax collections, the Commissioner shall settle-up with local school districts pursuant to Rider 7, Appropriation of Audit Adjustments, Settle-Up Funds and Attendance Credit Revenues and applicable provisions in Texas Education Code, Chapters 46, 48, and 49.

For purposes of distributing the Foundation School Program basic tier state aid appropriated above and in accordance with Texas Education Code, Section 48.051, the Basic Allotment is established at \$6,160 in fiscal year 2026 and \$6,160 fiscal year 2027.

For purposes of distributing the Foundation School Program enrichment tier state aid appropriated above and in accordance with Section 48.202(a-1)(1), the Guaranteed Yield is \$132.40 in fiscal year 2026 and \$140.02 in fiscal year 2027, and in accordance with Section 48.202(a-1)(2), the Guaranteed Yield is \$49.28 in fiscal year 2026 and \$49.28 in fiscal year 2027.

Included in amounts appropriated above and allocated by this rider to the Foundation School Program, \$100,000,000 in each fiscal year of the biennium out of the Foundation School Fund No. 193 is for the New Instructional Facilities Allotment under Texas Education Code, Section 48.152.

Included in amounts appropriated above and allocated by this rider to the Foundation School Program, and pursuant to Texas Education Code, Section 48.115, the School Safety Allotment is set at \$10 per student in average daily attendance, plus \$1 per student in average daily attendance for every \$50 by which the district's maximum basic allotment under Section 48.051 exceeds \$6,160, and \$15,000 per campus, estimated to be \$185,000,000 in each fiscal year.

Included in amounts appropriated above and allocated by this rider to the Foundation School Program, and pursuant to Texas Education Code, Section 48.307, Additional State Aid for State-Approved Instructional Materials is set at \$40 per enrolled student in each fiscal year for procuring instructional materials that have been approved by the SBOE. Included in amounts appropriated above and allocated by this rider to the Foundation School Program, and pursuant to Section 48.308, Additional State Aid For Open Education Resource Instructional Material, is an amount not to exceed \$20 for each student for printing and shipping of open education resource instructional materials. Notwithstanding Rider 19, Limitation on the Transfer and Use of Funds, TEA may transfer amounts from the Foundation School Program under Sections 48.307 and 48.308, estimated to be \$254,899,920 in fiscal year 2026 and \$266,969,717 in fiscal year

2027, to Strategy B.2.1, Technology/Instructional Materials, to implement the provisions of HB1605, Eighty-eighth Legislature, Regular Session.

Included in amounts appropriated above and allocated by this rider to the Foundation School Program, \$100,000,000 in each fiscal year of the biennium out of the Foundation School Fund No. 193 is for the Gifted and Talented Student Allotment under Texas Education Code, Section 48.109.

From the amount appropriated above to the Texas Education Agency for Strategy A.1.1, FSP - Equalized Operations, in each year of the 2026-27 biennium, the Commissioner may not spend more than the amount that, together with all other amounts appropriated from the Foundation School Fund or another source of the Foundation School Program or for paying the costs of school property tax relief, is necessary to achieve a tax rate compression percentage, as defined by Texas Education Code, Sections 48.255, 48.2551, and 48.2552, and fully fund the school funding formulas under Texas Education Code, Chapters 48 and 49, without the prior approval of the Legislative Budget Board.

Pursuant to Texas Education Code, Section 48.2552(c), in fiscal year 2026, the state compression percentage as calculated in Texas Education Code, Section 48.255, shall be reduced by 3.37 percentage points.

Notwithstanding any other provision of this Act, the Texas Education Agency may:

- (a) make transfers as appropriate between Strategy A.1.1, FSP - Equalized Operations, and Strategy A.1.2, FSP - Equalized Facilities; and
- (b) transfer Foundation School Program funds from fiscal year 2027 to 2026 to the extent necessary to avoid reductions in state aid as authorized by Texas Education Code, Section 48.266(f).

The Texas Education Agency shall notify the Legislative Budget Board and the Governor of any such transfers at least 15 business days prior to the transfer.

The Texas Education Agency shall submit reports on the prior month's expenditures on programs described by this rider no later than the 20th day of each month to the Legislative Budget Board and the Governor's Office in a format determined by the Legislative Budget Board in cooperation with the agency.

Contingent on the Commissioner of Education identifying a budget surplus of Foundation School Program funds appropriated above in either fiscal year of the 2026-27 biennium, the Commissioner shall notify the Legislative Budget Board and the Office of the Governor in writing no later than 30 calendar days before taking any action pursuant to the Texas Education Code, Sections 7.062, 48.258, 48.259, 48.260, 48.261, or 48.265.

Appropriations provided above in Strategy A.1.1, FSP-Equalized Operations, fully fund an estimated \$1,714,700,000 to reflect changes in student population projections.”