

ATTACHMENT I

Statutory Citation Relating to New 19 TAC Chapter 105, Foundation School Program, Subchapter BB, Commissioner's Rules Concerning Charter School Funding, §105.1011, Additional State Aid for Open-Enrollment Charter School Facilities

Texas Education Code, §12.106, State Funding, as amended by House Bill 21, 85th Texas Legislature, First Called Session, 2017:

- (a) A charter holder is entitled to receive for the open-enrollment charter school funding under Chapter 42 equal to the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Section 42.302(a), to which the charter holder would be entitled for the school under Chapter 42 if the school were a school district without a tier one local share for purposes of Section 42.253.
- (a-1) In determining funding for an open-enrollment charter school under Subsection (a):
 - (1) adjustments under Sections 42.102, ~~42.103~~, 42.104, and 42.105 are based on the average adjustment for the state; and
 - (2) the adjustment under Section 42.103 is based on the average adjustment for the state that would have been provided under that section as it existed on January 1, 2018.
- (a-2) In addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school enrichment funding under Section 42.302 based on the state average tax effort.
- (b) An open-enrollment charter school is entitled to funds that are available to school districts from the agency or the commissioner in the form of grants or other discretionary funding unless the statute authorizing the funding explicitly provides that open-enrollment charter schools are not entitled to the funding.
- (c) The commissioner may adopt rules to provide and account for state funding of open-enrollment charter schools under this section. A rule adopted under this section may be similar to a provision of this code that is not similar to Section 12.104(b) if the commissioner determines that the rule is related to financing of open-enrollment charter schools and is necessary or prudent to provide or account for state funds.
- (d) Subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the lesser of:
 - (1) the state average interest and sinking fund tax rate imposed by school districts for the current year; or
 - (2) a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million.
- (e) A charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter 39, reflects at least acceptable performance. This subsection does not apply to a charter holder that operates a school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital.
- (f) Funds received by a charter holder under Subsection (d) may only be used:
 - (1) to lease an instructional facility;

(2) to pay property taxes imposed on an instructional facility;

(3) to pay debt service on bonds issued to finance an instructional facility; or

(4) for any other purpose related to the purchase, lease, sale, acquisition, or maintenance of an instructional facility.

(g) In this section, "instructional facility" has the meaning assigned by Section 46.001.