



2025 Legislative Wrap-Up

89th Legislature - Regular Session

June 2025

Our Legislative Priorities in 2025

- ✓ Franchise Tax Credit for R&D
- ✗ Sales Tax on Data Processing
- ✓ No More Appraisal Caps
- ✓ School Property Tax Reduction
- ✓ Truth in Taxation



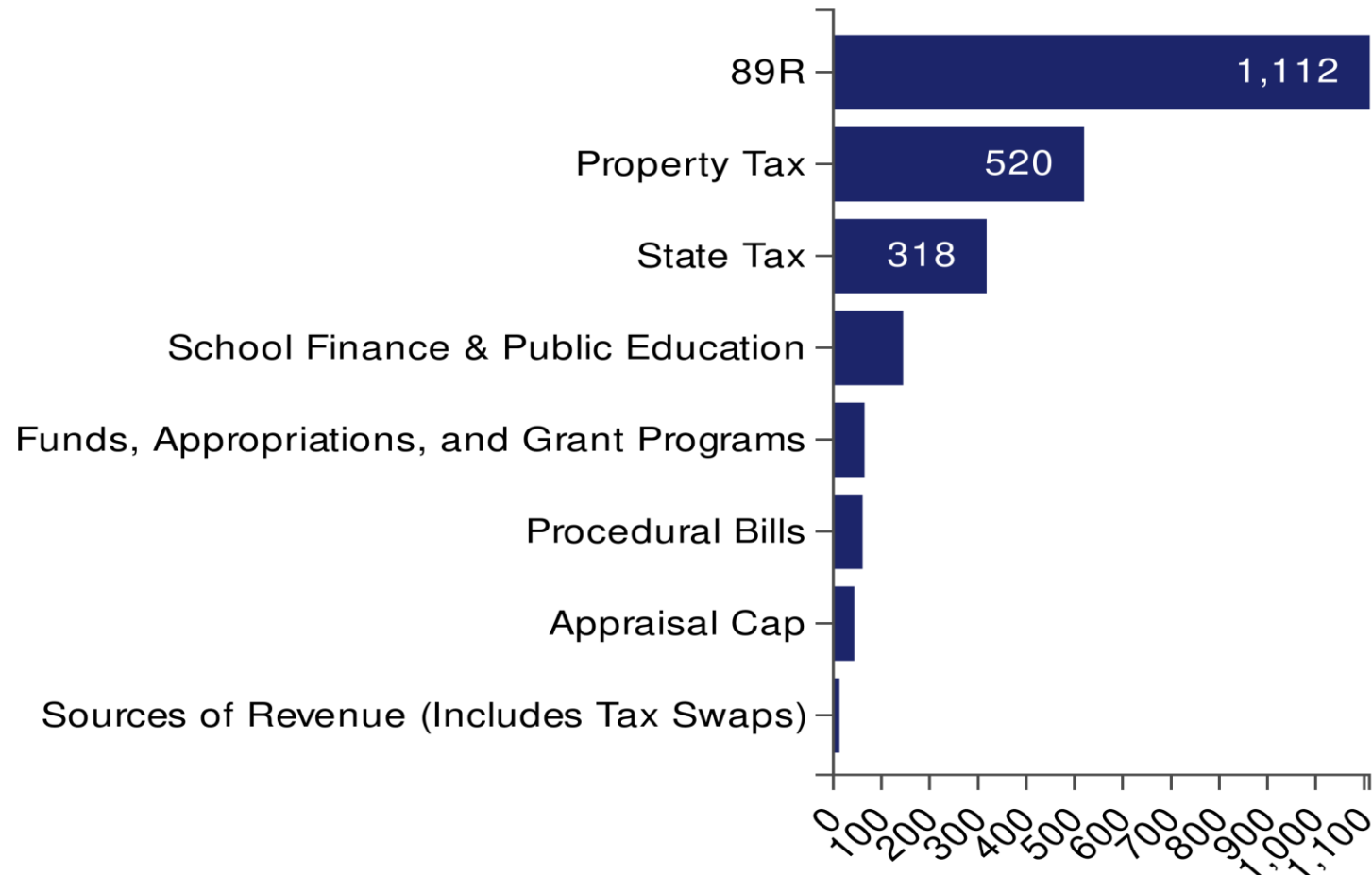
Bill Statistics

89th Legislature Regular Session

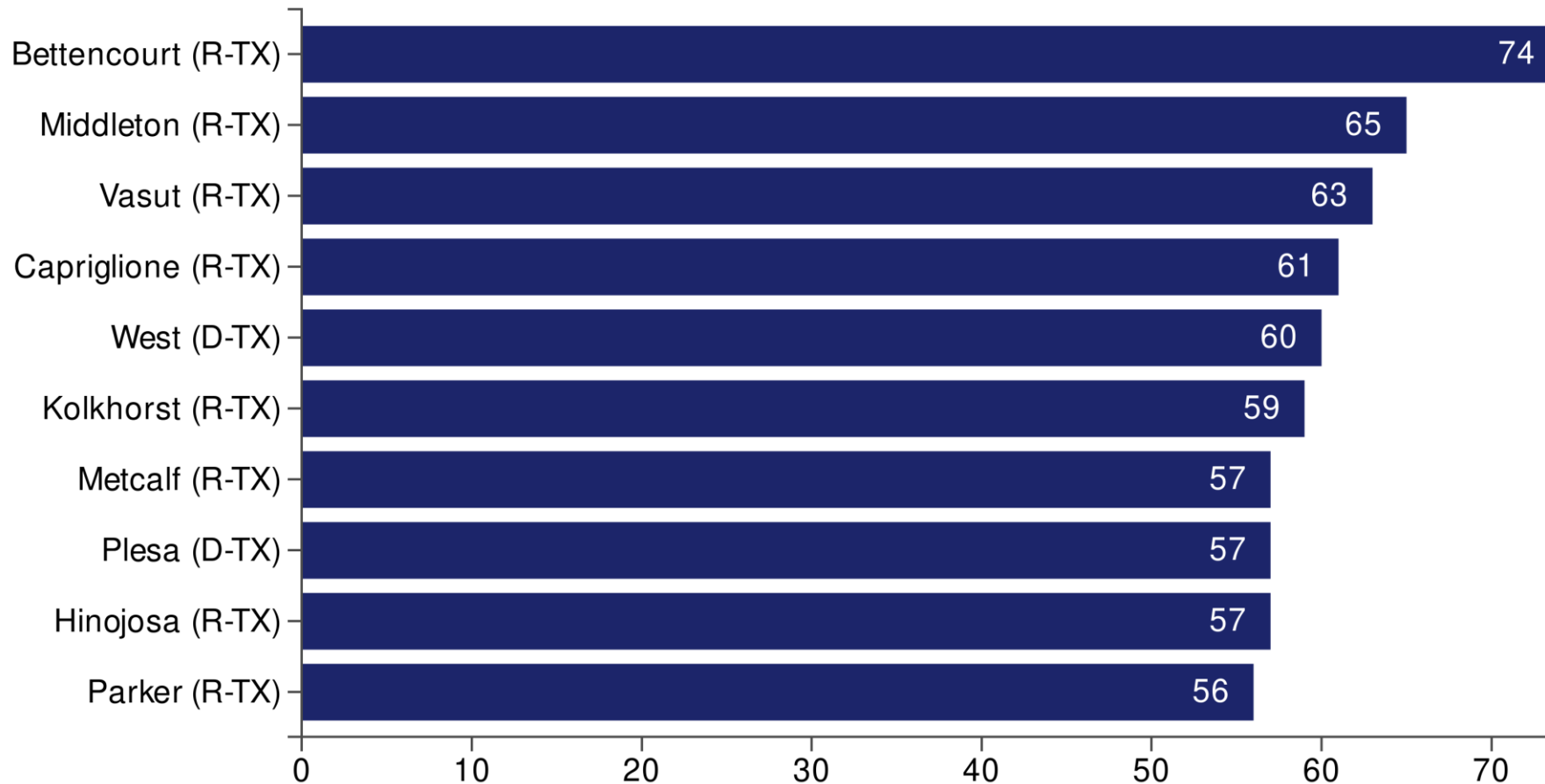
Statistics as of
 June 2, 2025

Bill Type	Filed	Passed	% Passed
House Bills	5644	601	11%
House Concurrent Resolutions	168	71	42%
House Joint Resolutions	208	6	3%
Senate Bills	3075	562	18%
Senate Concurrent Resolutions	58	14	24%
Senate Joint Resolutions	87	6	7%
TOTAL	9240	1260	14%

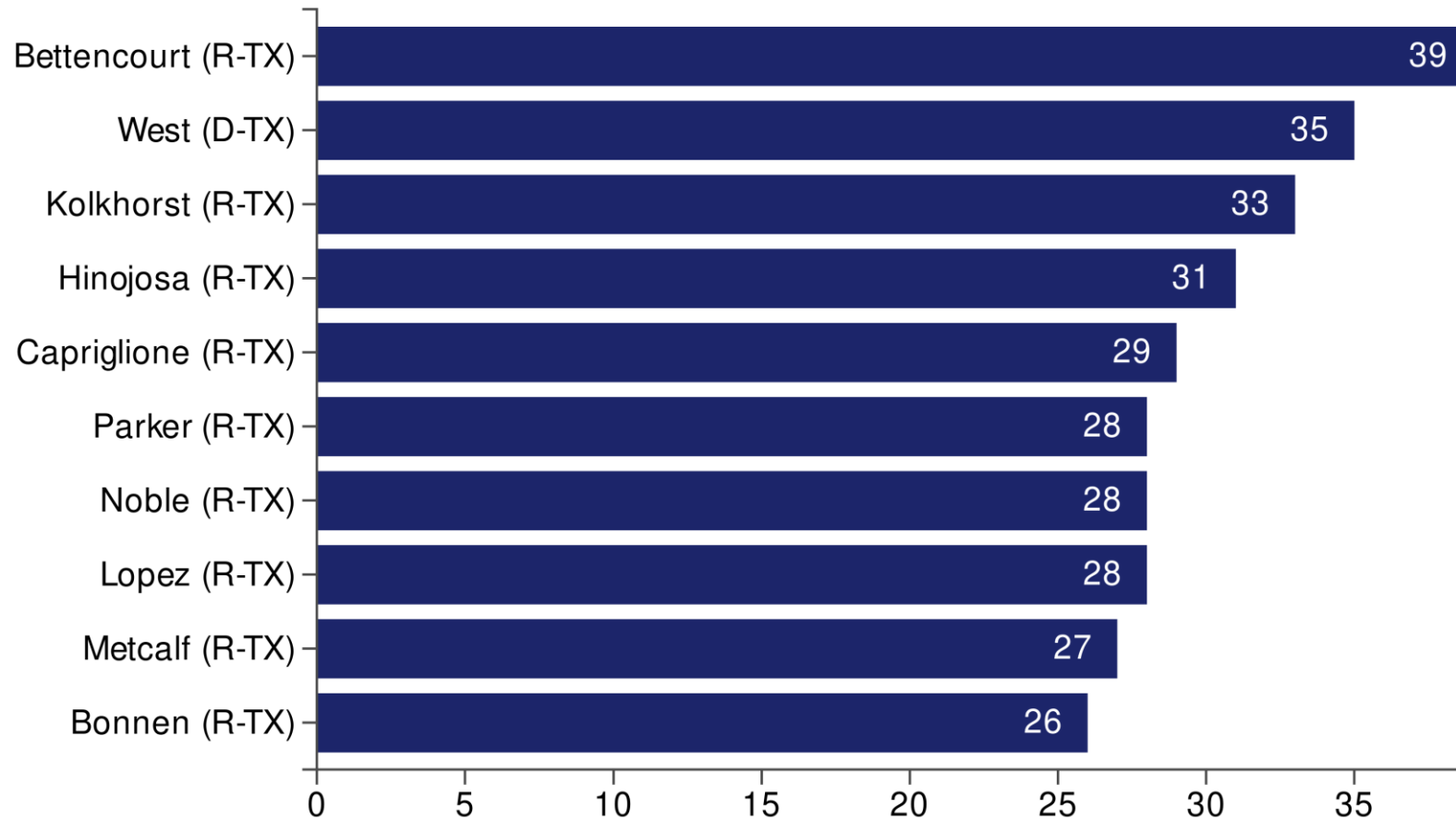
Number of Tax & Fiscal Bills TTARA Tracked



Who Filed Tax and Fiscal Related Bills?



Who Passed the Most Tax and Fiscal Related Bills?



State Budget

89th Legislature

Budget and Fiscal Policy

Available Revenue

“Supplemental”
Appropriations

General Appropriations

Top Lines

- Appropriations
- 2025, 2026, 2027
- All Funds

- House Bill 500
- \$16.0 billion*

- Senate Bill 1
- \$338.0 billion

- Amount for HB 500 is the gross appropriation amount, not the amount subject to certification and a reduction to the treasury; that amount is about \$3 billion less.

Limitations on Spending

- Remaining GR Spending Capacity:
- 2026-27

- Constitutional Pay as You Go
- \$3.9 Billion

- Constitutional Tax Spending Limit
- \$10.3 billion

- Statutory Consolidated GR Limit
- \$15.3 billion

- CAVEAT:

- These estimates were published by the Legislative Budget Board on May 28, 2025. Spending adjustments post-publication will likely reduce these thresholds, and final costing by the Comptroller will again shift the amounts.

Biennial Revenue Estimate: Where We Started

\$194.6 Billion

TOTAL AVAILABLE FOR NEW APPROPRIATIONS 2025-2027

\$23.8 Billion

Beginning Balance

\$170.8 BILLION

Net 2026-27 Revenue

About the Balance...

The \$23.8 billion balance – the creation of singular circumstances:

- includes the \$4.5 billion in lapsed 2024-25 education contingency appropriations
- reflects the amount by which the 88th legislature did not fully appropriate available GR revenues, including an appropriation of \$7 billion in remaining federal stimulus funds to TDCJ in 2024-25, reducing GR appropriations to TDCJ by a like amount, increasing the GR balance beyond what it would otherwise have been
- is connected a strong economy, high inflation, and high federal spending in the runup to the 2023 legislative session, with resulting strong state collections thereafter.

HB 500: Supplemental Appropriations Bill

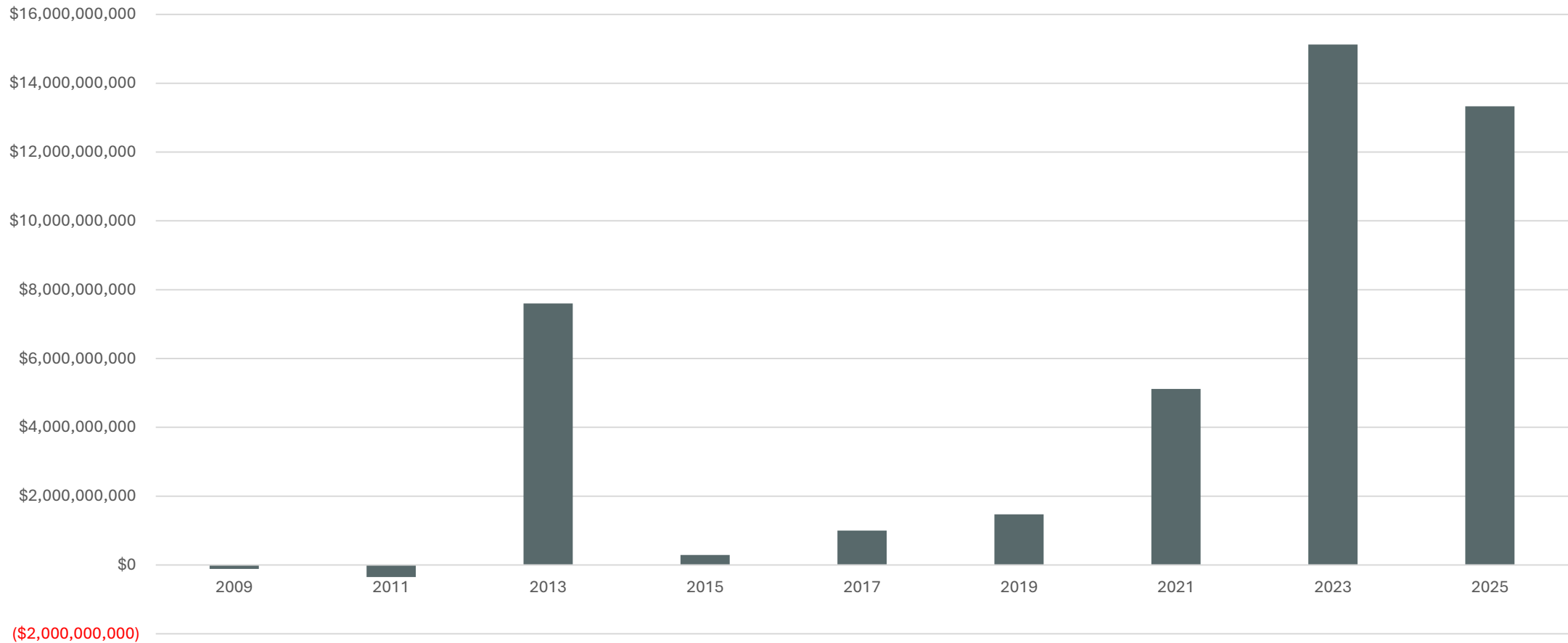
- \$16 billion spending authority in All Funds
- \$13 billion in net GR cost
- \$2.7 billion in carry-forward unexpended balances from previous biennia
- \$2.5 billion for the Water Development Board
- \$1.3 billion to the Texas Department of Criminal Justice
- \$1.3 billion for the Texas University Fund
- \$1 billion to the Employee Retirement System
- ~\$1.7 billion for FY 2025 shortfalls

Appropriations in HB 500 are for a 24 month period starting on the effective date of the Act; the amounts will remain live over three fiscal years.

The vast preponderance of the funding in HB 500 will be expended in the 2026-27 biennium



History of Supplemental Appropriations Bills General Revenue subject to Certification





SB 1: General Appropriations Act

NOTES:

These amounts do NOT include HB 500. An estimated allocation of those appropriations results in significantly different growth rates.

A comparison of SB 1 to 2022-23 yields an increase to all state revenue of over 30%

	2024-25 Base	SB1 2026- 27 CCR	SB1 CCR less Base	Percent Change
All Funds	333,995.7	338,017.4	4,021.7	1.2%
General Revenue	141,936.4	149,173.1	7,236.7	5.1%
All State Revenue	226,147.0	237,091.9	10,944.9	4.8%
Federal Funds	107,848.6	100,925.2	(6,923.4)	-6.4%

Highlights: Selected Items

SCHOOL FINANCE: \$8.5 billion including over \$4 billion for educator and other staff compensation, to implement HB 2

SCHOOL CHOICE: \$1 billion to implement SB 2

PROPERTY TAX RELIEF: \$3.9 billion for actions by the 89th legislature to reduce property taxes (nearly all via increases to homestead exemptions), \$3.5 billion to maintain existing property tax relief passed by the 88th Legislature, and \$2.6 billion for ongoing tax rate compression. \$18.8 billion is transferred from GR to the Property Tax Relief Fund to support current and prior increases to state costs.

MEDICAID: \$5.9 billion in SB 1 and \$750 million in HB 500 to support increased client services. Anticipated increases in cost due to medical inflation, higher utilization, and increased acuity are not funded.

BORDER SECURITY: A \$3 billion reduction to border security, for a total of \$3.4 billion appropriated across 13 agencies



Highlights: Selected Items

TEXAS ENERGY FUND: A second \$5 billion tranche made available, with a \$4.4 billion GR transfer to the fund.

DEMENTIA PREVENTION RESEARCH INSTITUTE OF TEXAS: \$3 billion transferred from General Revenue to the new fund; \$300 million appropriated in each year.

TEXAS MOVING IMAGE INDUSTRY INCENTIVE FUND: A biennial transfer of \$300 million in sales tax revenue to the credit of the new fund.

TEXAS WORKFORCE COMMISSION: \$100 million in Federal TANF for childcare

PARKS: \$60 million for 34 specific named parks statewide

WATER PROJECTS: \$581 million from HB 500 distributed to 34 specific named projects statewide

TRANSPORTATION: \$107 million from HB 500 distributed to 8 specific named aviation projects statewide ARTICLE IX: Contingency appropriations for 90 pieces of legislation

Next?

- Certification by Comptroller (early summer)
- Veto period (June 22)
- Certification Revenue Estimate (fall)
- Agency implementation: operating budgets & rule making (fall)

Constitutional Amendments Relating to Public Finance



Constitutional Amendments: Homestead Exemptions

SJR 2: Increases the homestead exemption for school property tax to \$140,000
SB 4: Sent to the Governor

SJR 85: Authorizes an additional \$60,000 homestead exemption for over-65 and disabled homeowners
SB 23: Sent to the Governor

SJR 84: Authorizes a property tax exemption for a homestead destroyed by fire

HJR 133: Authorizes a homestead exemption for surviving spouse of disabled veteran
HB 2508: Sent to the Governor

Constitutional Amendments: Other Exemptions

HJR 1: Authorizes business personal property exemption of \$125,000

HB 9: Sent to the Governor

HJR 34: Authorizes property tax exemption for real property improvements for border security

HB 247: Sent to the Governor

HJR 99: Authorizes a property tax exemption for inventory of animal feed

HB 1399: Signed by the Governor

Constitutional Amendments: Prohibitions

- HJR 2:** Prohibits estate, inheritance, legacy, succession or gift taxes imposed because of death
- HJR 4:** Prohibits an occupations tax on securities traders or transactions
- SJR 18:** Prohibits a capital gains tax on an individual, family, estate or trust

Constitutional Amendments: Other

- HJR 7:** Dedicates \$1 billion of sales tax revenue to Texas water fund each year
SB 7: Sent to the Governor
- HJR 98:** Calls for a federal constitutional convention to limit spending, powers and terms of office
- SJR 3:** Establishes the Dementia Prevention and Research Institute of Texas and transfers \$3 billion of general revenue to a dedicated fund
SB 5: Signed by the Governor
- SJR 59:** Creates a permanent fund for the Texas State Technical College System

Property Tax Relief

Property Tax Relief: Compression

Bill Number	Summary	Biennial Cost (millions)	Status
SB 1 by Huffman	General Appropriations Bill. Appropriates funds to maintain property tax relief passed by the 88th Legislature.	\$3,500.0	Sent to the Governor
SB 1 by Huffman	General Appropriations Bill. Appropriates funds for 6.0 pennies of additional and "settle-up" school district M&O tax rate compression under current law mechanism. TY25: \$0.0533 (\$0.0202+\$0.0331) TY26: \$0.0068	\$2,607.1	Sent to the Governor
		\$6,107.1	

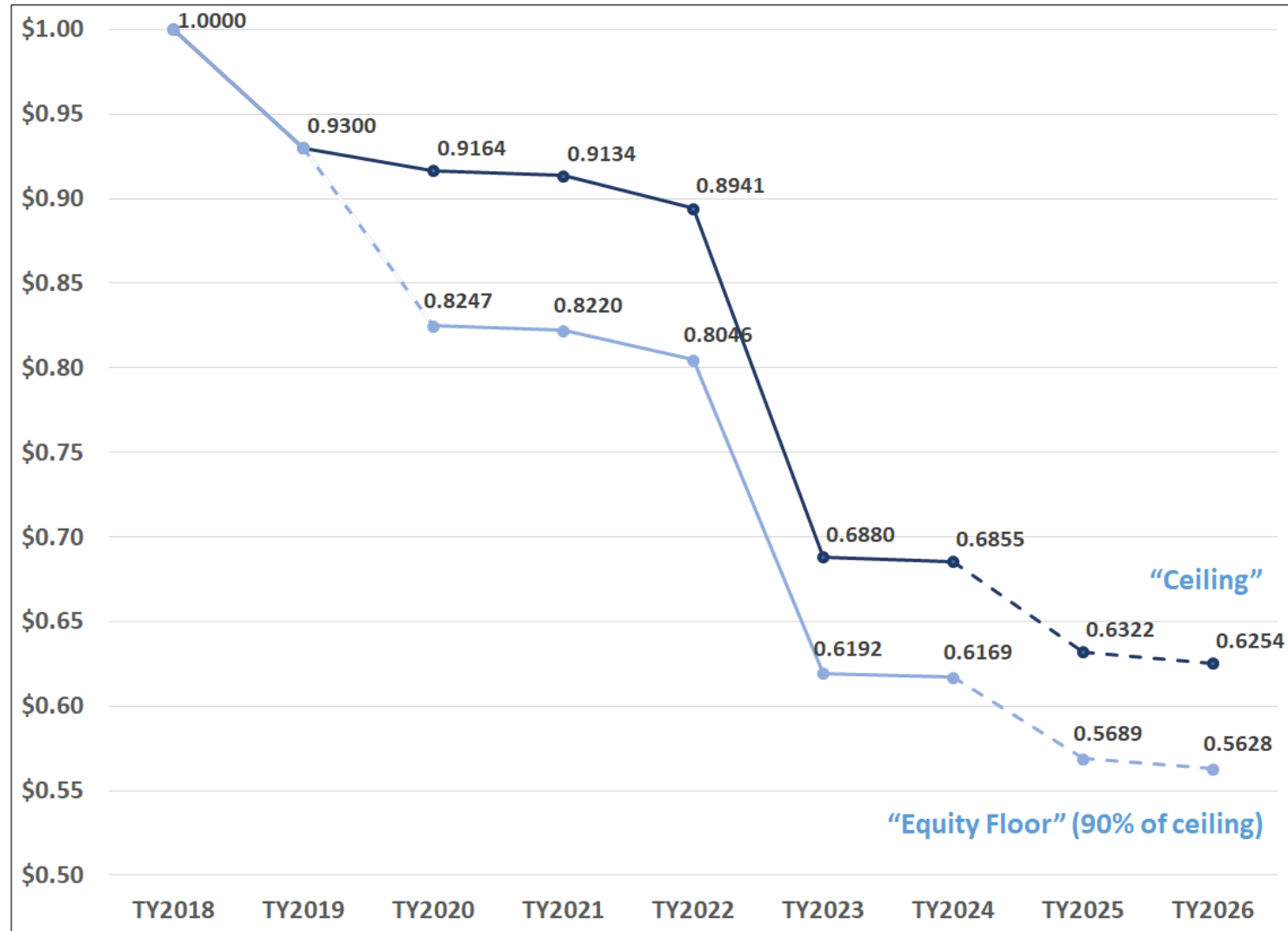
Texas Taxpayers and Research Association (TTARA)

5/29/25

Cost numbers are from Article III, Rider #76 in the CCR on SB 1.

Calculated pennies of M&O tax rate compression are based on 5.60% and 3.60% value growth in Article III, Rider 3 in the CCR on SB 1.

School District M&O Tax Rate Compression TY2019-TY2026



Property Tax Relief: BPP & Homestead

Bill Number	Summary	Biennial Cost (millions)	Status
HB 9/HJR 1 by Meyer	Increases the business personal property tax exemption to \$125,000 (from \$2,500).	\$193.5	Will be on the ballot on November 4, 2025
SB 4/SJR 2 by Bettencourt	Increases the mandated school district general homestead exemption to \$140,000 (from \$100,000).	\$2,599.5	Will be on the ballot on November 4, 2025
SB 23/SJR 85 by Bettencourt	Increases the mandated school district homestead exemption for 65+ or disabled to \$60,000 (from \$10,000). Coupled with increase in general homestead exemption provides a \$200,000 total homestead exemption.	\$1,107.0	Will be on the ballot on November 4, 2025
		\$3,900.0	

Business Personal Property Exemption

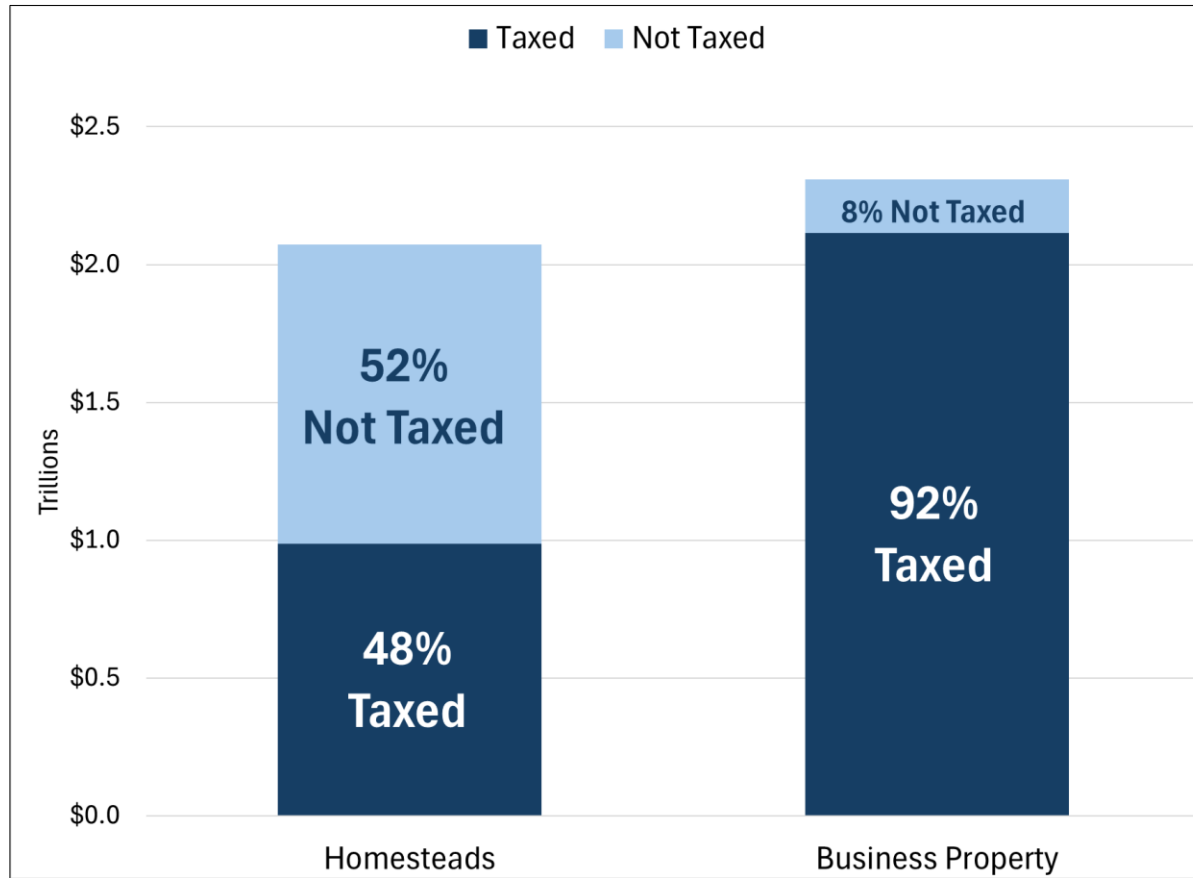
HB 9 by Meyer

- Exemption of \$125,000 of BPP per location and per taxing unit
- For lessors of BPP, one exemption of \$125,000 per taxing unit
- If a person has BPP in a taxing unit at locations not owned or leased by the person, then all BPP in the taxing unit is aggregated and one exemption of \$125,000 applies
- BPP of related business entities at a single location are aggregated for the \$125,000 exemption
- No rendition required if all BPP is exempt in the owner's opinion
- Effective January 1, 2026

Sent to the Governor

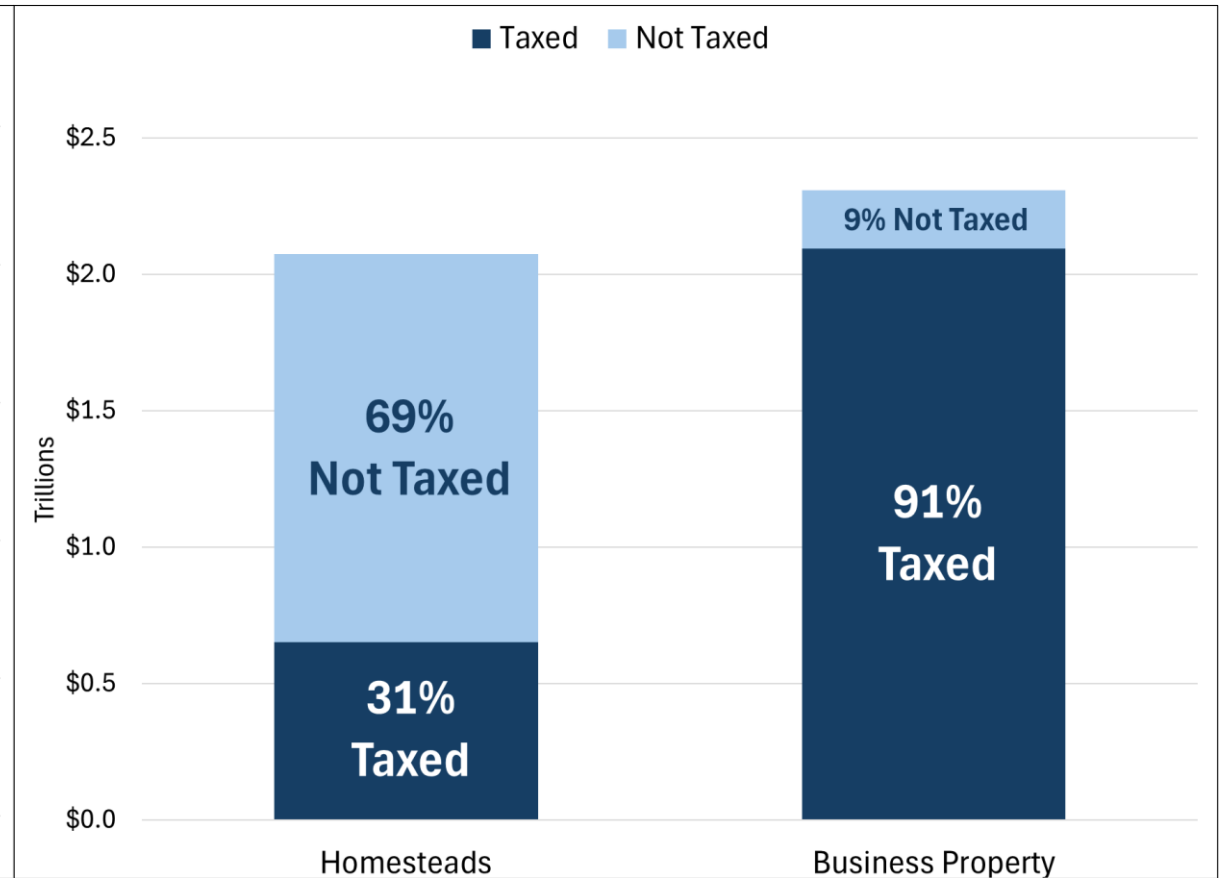
Current Law

\$100,000 School HS Exempt, \$110,000 School 65+ HS Exempt
\$2,500 Business Personal Property Exempt



89th Legislature Changes

\$140,000 School HS Exempt, \$200,000 School 65+ HS Exempt
\$125,00 Business Personal Property Exempt



446 (44%) School Districts Have Avg. Home Value Less than \$140,000

647 (64%) School Districts Have Avg. Home Value Less than \$200,000



Property Tax Reform

Debt-Related Reform

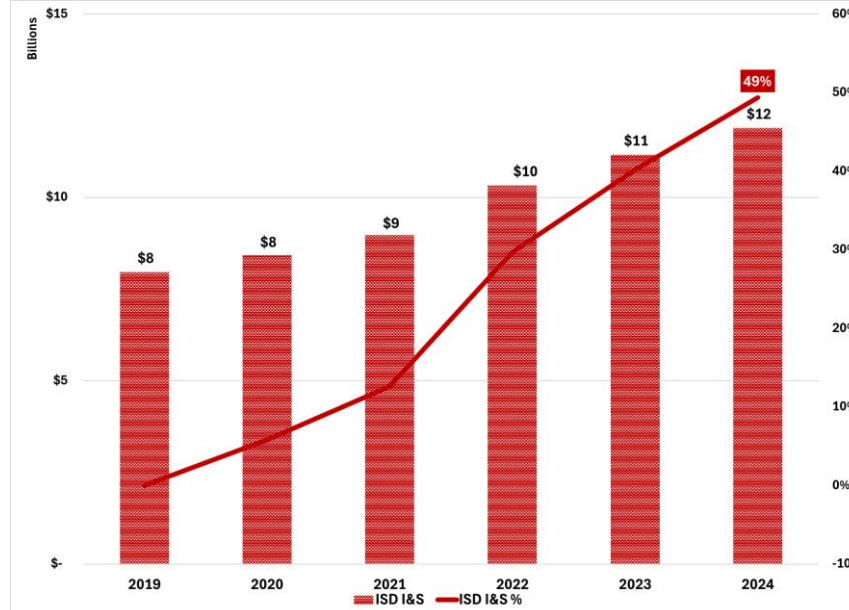
SB 1453 by Bettencourt – Minimum debt service definition

- I&S tax rates calculated using minimum debt service
- Maintains value to tax rate inverse relationship
- Natural I&S tax rate compression
- Tax savings as a result of new capital investment

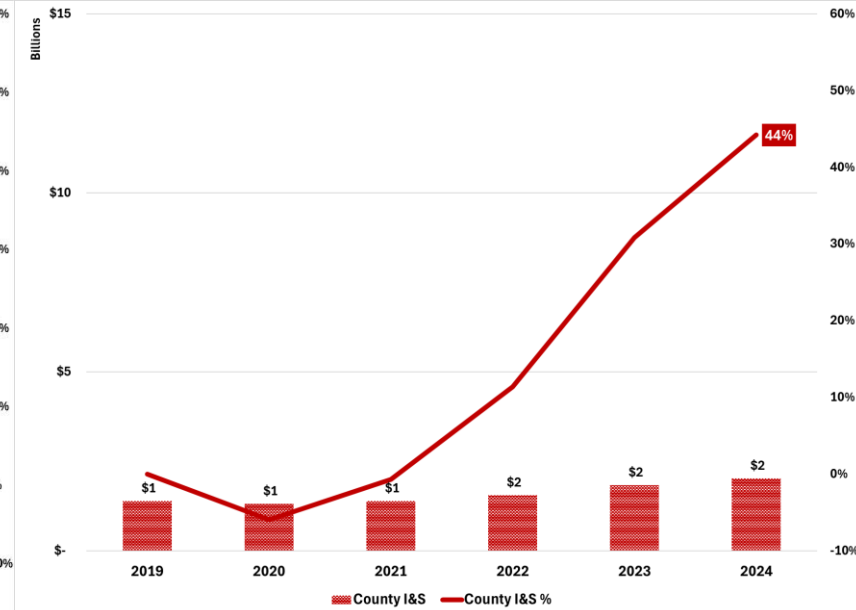
Sent to the Governor

5-year Debt Growth

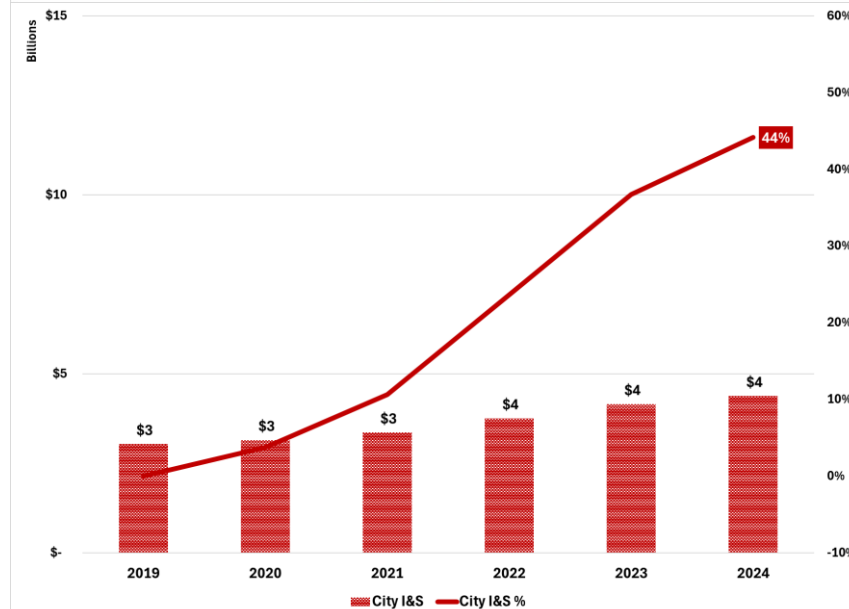
School
Districts
49%



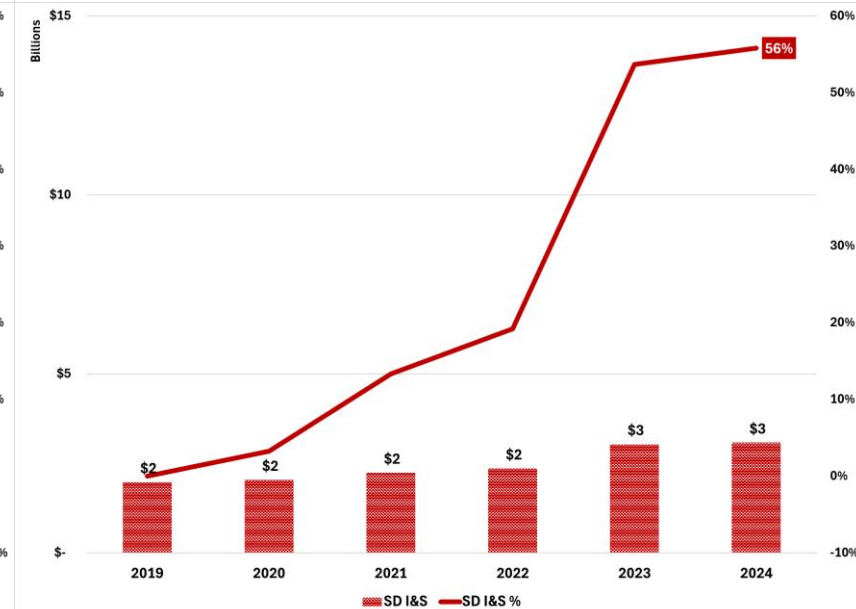
Counties
44%



Cities
44%



Special
Districts
56%

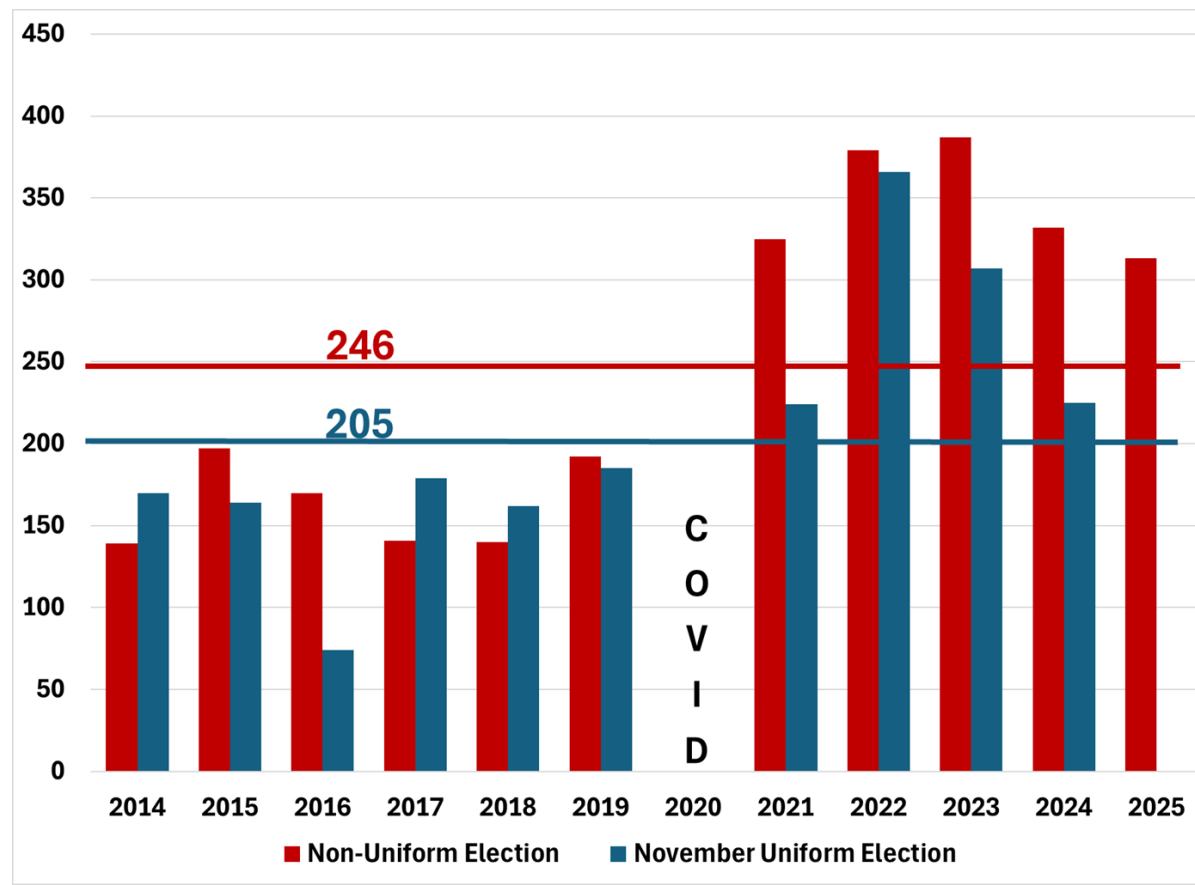


Debt-Related Reform

SB 533 by Sparks – Bond uniform election date

- Requires bond propositions to be held on November uniform election date
- **Passed Senate but did not receive a hearing in House Pensions, Investment & Financial Services**

Number of Local
Bond Propositions



M&O Rate Calculations

HB 30 by Troxclair – Repeals disaster provisions and creates a Disaster Debris Rate

- Creates the Disaster Debris Rate with estimated costs from FEMA.
 - Disaster Debris Rate is added to the voter-approval rate
 - Allows for a similar local calculation if disaster is declared by the governor but not the president

Signed by the Governor, effective 1/1/26

SB 2541 by Bettencourt - Repeal the calculation of an unused increment rate

Failed to make House 2nd Reading Deadline

Ballot Proposition Language

SB 1025 by Bettencourt – Text of ballot propositions that increase taxes.

- “THIS IS A TAX INCREASE”

Signed by the Governor, effective immediately

Transparency Bills – TNT Hyperlinks

SB 1023 by Bettencourt – Requires hyperlinks to source data on the TNT forms
Signed by the Governor, effective 1/1/26

Transparency Bills – Bond Databases

HB 3526 by Capriglione

- Administered by the Bond Review Board
- Database includes:
 - Principal amount
 - Interest amount
 - Estimated total payment of principal and interest
 - Estimated minimum annual debt service
- Local government will submit to the BRB local bond election information.
 - Information required 20 days before election and 20 days after election.
- Includes a biennial report on repayment of bonds

Signed by the Governor, effective 9/1/25

Transparency Bills – Bond Databases (cont.)

HB 103 by Troxclair

- Administered by the Comptroller
- Database includes:
 - Ballot proposition
 - Projected tax rates for debt service
 - Election results
 - Bond projects
 - Increases to the I&S as a result of the debt
 - Estimated minimum annual debt service

Sent to the Governor

SB 843 by Kolkhorst

- Administered by the Texas Education Agency
- Database similar to HB 103 but only for ISDs minus the estimated minimum annual debt service

Sent to the Governor

Elected Officials and CAD Board of Directors Fixes

The Tarrant Issue

- Appraise residential property every two years
- Freeze 2024 values for 2025
- Lower residential appraisal cap unless there was clear and convincing evidence

Elected Officials and CAD Board of Directors Fixes

SB 973 by Eckhardt – Ariel photographs and sketches in appraisal district restricted from posting on website.

- **SB 2538** was amended onto bill in 3rd reading by Rep. Geren
 - Reappraisal plan must not include any standards or timelines that are inconsistent with or unauthorized by the existing code including 23.01(a)
- **Sent to the Governor**

Elected Officials and CAD Board of Directors Fixes

HB 148 by Turner – Requires additional board of director training and an acknowledgement of duties

- Acknowledgement of duties required prior to running for a BOD position
- Limited to populous counties

Sent to the Governor

JETI Act Bills

HB 105 by Guillen – Makes the following reforms to the JETI Act:

- Exempts dispatchable electric generation from compelling factor
- Wage requirement applicable to required jobs
- Wage calculation 110% of county avg manufacturing wage of the county
- Creates priority projects exempting them from the jobs requirement

Postponed until June 3rd

SB 2322 by King - Excludes dispatchable electric generation from the compelling factor test.

Failed to make House 2nd Reading Deadline

HB 4236 by Martinez Fischer - Property Value Study Study Group

House Version	Senate Version
<p>Task Force to evaluate:</p> <ol style="list-style-type: none"> 1. Effects of the study on appraisal and all taxing units 2. Administrative burdens of all parties 3. PVS effectiveness 4. Viability of alternative means and methods to ensure accuracy for school equity 5. Correlation of other appraisal district studies 	<p>Study Group purpose:</p> <ol style="list-style-type: none"> 1. Examine the use and effect of the PVS for school equity 2. Develop recommendations on alternative methods in verifying complex property valuations
<p>Members of Task Force:</p> <ol style="list-style-type: none"> 1. Two members appointed by the Governor to represent the interest of the taxpayers 2. One member appointed by the Governor to represent appraisal districts 3. Two members appointed by the Governor to represent taxing units, one of which has to be the school districts 4. Two members of the Senate appointed by Lieutenant Governor 5. Two members of the House appointed by the Speaker 	<p>Members of Study Group:</p> <ol style="list-style-type: none"> 1. Three members of the Senate, including one vice-chair of a standing substantive committee, appointed by the Lieutenant Governor 2. Three members of the House, including one vice-chair of a standing substantive committee, appointed by the Speaker
Meets Quarterly	Single Hearing
Written report due November 1, 2026	Written report due December 1, 2026

HB 4236 by Martinez Fischer - Property Value Study Study Group

Senate Version

Study Group purpose:

1. Examine the use and effect of the PVS for school equity
2. Develop recommendations on alternative methods in verifying complex property valuations

Members of Study Group:

1. Three members of the Senate, including one vice-chair of a standing substantive committee, appointed by the Lieutenant Governor
2. Three members of the House, including one vice-chair of a standing substantive committee, appointed by the Speaker

Single Hearing

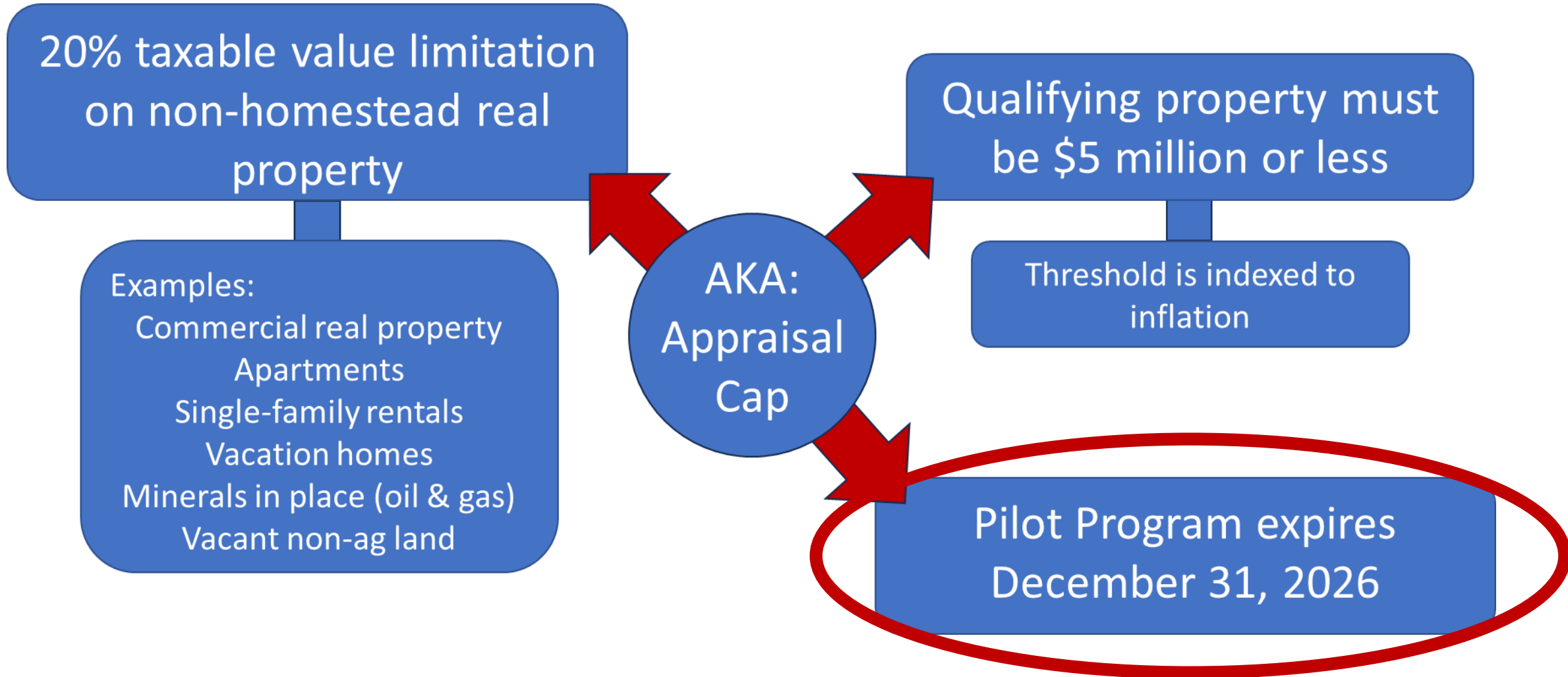
Written report due December 1, 2026

- House concurred with Senate version
- **Sent to the Governor on 6/1/2025**

Appraisal Caps – Last Session Recap

3-Year “Circuit Breaker” Pilot Program

**No Bills Received
a Hearing!!!**



Other Property Tax Bills

SB 974 by Eckhardt—Allows teachers to serve on the ARB

- Creates a criminal offense if a school district employee communicates with a teacher on the ARB with intent to influence valuation decisions

Sent to the Governor

HB 22 by Noble – Exempts all intangible property from ad valorem taxation

Signed by the Governor, effective 1/1/2026

SB 1951 by Paxton – Requires late rendition penalty notice and separate line-item reporting on tax bill

Sent to the Governor

SB 2063 by Parker - Evidence of market value cannot be considered in an equal and uniform appeal.

- TDS Landfill Supreme Court fix

Failed to make House 2nd Reading Deadline

Other Property Tax Bills

HB 3093 by Villalobos – Allows for tax rate calculation adjustments for substantial litigation.

- Bracketed to Gulf Coast counties with a population of less than 500,000
- Defines “Anticipated Substantial Litigation”
 - One of the 20 highest taxable values in the preceding year within the appraisal district
 - Current year taxable value that exceeds 125% of the uncontested value
- Allows for the exclusion of contested value for tax rate calculation worksheets
- Property owners notify taxing units of the amount of uncontested value if the property owner intends to file an appeal that falls under the anticipated substantial litigation definition.

Signed by the Governor, effective immediately

Other Property Tax Bills

HB 1533 by Button – *Relating to the system for appraising property for ad valorem tax purposes.*

- Notices under 25.23(c) must be sent certified mail
- ARB trainers must include a taxpayer representative
- Internet websites required in populous counties
- CAD in populous counties required to update appraisal records weekly on websites – 120,000 or more
- Lowers deadline of taxpayers notifying ARB intentions of appearing via phone or video from 10 to 5 days
- ARB protests dismissed on jurisdictional grounds must make order in writing
- Increases notification of subpoena from 5 days to 15
- Outlines rights of appeals of a person leasing property
- Limits court from ordering discovery not requested by parties

Sent to the Governor

State Tax

SB 2206 by Bettencourt — Franchise Tax Credit for R&D

- Ties Texas credit to amounts reported on IRS Form 6765, Line 48
 - Rolling conformance to federal law
 - Must file IRS Form 6765 to claim Texas credit
- Increases credit to 8.722% or 10.903% of new R&D in Texas
- Credit may not exceed 50% of franchise tax liability
- 20-year carryforward
- Refundable credit for businesses below no-tax-due threshold and new veteran-owned businesses. **50% limitation does not apply!**
- “Permanent” credit...No expiration date.

SB 2206 by Bettencourt — Franchise Tax Credit for R&D (cont.)

- Protections for taxpayers
 - Comptroller may use statistical sampling permitted by Rev. Proc. 2001-42
 - Adjusted ASC 730 Financial Statement R&D is sufficient evidence of federal QREs
 - Supplies may not be excluded from QREs on basis of sales tax treatment
 - If the IRS audits Form 6765, Line 48, Comptroller must accept audit result
- New franchise tax credit is effective January 1, 2026 for reports due on or after that date (those reports relate to business done in 2025)
- Current franchise tax credit (Subchapter M) and sales tax exemption (Sec. 151.3182) are repealed effective January 1, 2026.

Franchise Tax

SB 2774 by Adam Hinojosa – *Signed by the Governor*

Amends the definition of "retail trade" in Tax Code sec. 171.0001(12) to include the rental of industrial uniforms, garments, and linen supplies. Effective for reports due on or after January 1, 2027.

SB 1058 by Parker – *Signed by the Governor*

Excludes rebate payments on certain security transaction payments from total revenue for purposes of the franchise tax. Effective for reports due on or after January 1, 2026.

SB 263 by Perry – *Sent to the Governor*

Adds television and radio broadcasters to the existing computation of cost of goods sold for taxable entities whose principal business activity is film or television production, broadcasting, or distribution. Defines "television or radio broadcasting" as broadcasting under an FCC license. States that the amendment is a clarification of existing law. Effective immediately.

SB 2018 by Paxton – *Sent to the Governor*

Provides a franchise tax credit for taxable entities that make designated contributions to certified eligible organizations that support at-risk families. Effective for reports due on or after June 1, 2026.

Sales & Use Tax

SB 1405 by Nichols/Hagenbuch – *Sent to the Governor*

Removes Internet access service from the list of taxable services (and expands Internet access).
Effective July 1, 2025.

SB 1415 by Hughes – *Signed by the Governor*

Moves the existing sales tax holiday for clothing and footwear with a sales tax price <\$100 to the weekend beginning on the first Friday in August. Effective September 1, 2025.

HB 135 by Button – *Signed by the Governor 5/13/25*

Exempts game animals and exotic animals from sales tax. Effective immediately.

Sales & Use Tax: Oysters

HB 3486 by Hunter – *Sent to the Governor*

Allows a deduction from taxable sales of \$5 for every 100 Texas farm-raised oysters prepared and served at the restaurant. Effective October 1, 2025.

HB 3487 by Hunter – *Sent to the Governor*

Allows a deduction from taxable sales of \$2 for every 50 pounds of oyster shells collected for recycling. Effective October 1, 2025.

Sales & Use Tax Bills that Did Not Pass

HB 1681 by Button/SB 265 by Perry: Exclusion of marketplace services from definition of data processing

HB 3646 by Capriglione/ SB 2317 by Parker: Exclusion for the provision of HOA documents from taxable services

HB 134 by Meyer: Local sales tax sourcing

Motor Vehicle Sales Tax

HB 4226 by Morales Shaw – *Sent to the Governor*

Removes the sale, use, or rental of a motor vehicle by a foodbank or provider of housing services from sales and use taxes. Effective September 1, 2025.

Motor Fuel Tax

HB 1109 by VanDeaver – *Effective without the Governor's signature*

Exempts gasoline and diesel sold to a county for the county's use. Effective July 1, 2025.

SB 771 by J. Hinojosa – *Effective without the Governor's signature*

Allows a credit or refund for tax paid on diesel used by auxiliary power units or power take-off equipment in the state. Effective September 1, 2025.

SB 1371 by J. Hinojosa – *Sent to the Governor*

Allows the exemption in Tax Code sec. 162.356(a)(11) for compressed or liquified natural gas obtained from certain refueling facilities by transit authorities in municipalities with populations under 320,000 during emergencies. Effective immediately.

Severance Tax

HB 3159 by Darby – *Sent to the Governor*

Provides an exemption from oil severance tax for oil and gas from restimulation wells. Effective January 1, 2026.

Insurance Tax

HB 2517 by Barry – *Sent to the Governor*

Exempts the Texas Windstorm Insurance Association and the Texas FAIR Plan Association from property and casualty insurance premium tax. Effective September 1, 2025.

Tax Administration

SB 266 by Perry – *Signed by the Governor 5/24/2025*

- Changes the requirement for taxpayer records in administrative and judicial proceedings from the current "contemporaneous" records to "sufficient" records.
- Abates the penalty imposed under Tax Code sec. 111.0081(c) on amounts in dispute in a timely-filed lawsuit.
 - Imposes a 10% penalty if the amount due is not paid within 20 days after final judgment.
- Creates a process to bypass the redetermination process after a managed audit and to file a lawsuit in district court under Tax Code ch. 112.
- Effective immediately.



School Finance

School Finance Bill

HB 2 by Buckley-\$8.5 Billion Omnibus School Finance Bill

Formulas

- Basic allotment (starting point for formula calculations) for the 2025-26 and 2026-27 school years will be increased by \$55 to \$6,215 (\$6,160+\$55). Links future increases to the value growth of the school district at the 96th percentile of wealth.
- Creates a new "**Allotment for Basic Costs (ABC)**" equal to **\$106** per enrolled student to be used for expenses such as transportation, property casualty insurance premiums, utilities and contributions to the Teacher Retirement System when hiring retired teachers *(\$1.3 billion)*.
- New allotment of **\$45** per ADA for school district support staff salary increases *(\$500 million)*.
- Increases funding for the following:
 - special education *(\$850 million)*
 - small and mid-size districts *(\$300 million)*
 - school safety *(\$430 million)*
 - early learning programs *(\$677 million)*
 - career and technology programs *(\$153 million)*
 - charter school facilities *(\$200 million)*
 - teacher preparation and certification *(\$135 million)*

School Finance Bill

HB 2 by Buckley (cont.)

Provisions Affecting Teachers

- **Repeals** the requirement that school districts use 30% of any increase in the basic allotment to increase employee compensation.
- School districts will receive “**teacher retention allotments**” to increase teacher salaries by the following amounts *(\$3.7 billion)*.

Teaching Experience	District Enrollment 5,000 or Fewer Students	District Enrollment More than 5,000 Students
3-5 years experience	\$4,000	\$2,500
5+ years experience	\$8,000	\$5,000

- A child whose parent is a teacher can attend pre-K classes free of charge.
- Commissioner of Education will enter into an agreement with a third party to make liability insurance available to teachers at a low cost.

School Finance Bill

HB 2 by Buckley (cont.)

Provisions Affecting Teachers (cont.)

- Increases bonuses under the **Teacher Incentive Allotment** (merit pay program).
 - Master teacher - \$12,000 - \$36,000
 - Exemplary teacher - \$9,000 - \$25,000
 - Recognized teacher - \$5,000 - \$15,000
 - Acknowledged or Nationally Board Certified teacher - \$3,000 - \$9,000
- Provides funding to minimize health insurance premium increases under TRS-Care *(\$45 million)*.
- Creates a preparation program to form partnerships between school districts and charter schools and qualified institutions of higher learning or Educator Preparation Programs (EPP) to establish teacher staffing pipelines. Provides an allotment of \$8,000-\$24,000 per qualified employee *(\$49 million)*.
- Prohibits a school district from hiring an **uncertified teacher** to teach a course in the foundation curriculum in the 2029-30 school year. Phases this in beginning in the 2026-27 school year.

School Finance Bill

HB 2 by Buckley (cont.)

Average Revenue Increase per Student		\$1,367 (9.6%)
More than \$1,000 Increase per Student	677 (67%)	
\$500-\$1,000 Increase per Student	312 (31%)	
Less than \$500 Increase per Student	24 (2%)	
	1,013 (100%)	

Education Savings Accounts

SB 2 by Creighton

Education Savings Accounts

- Comptroller will establish a fund of **\$1 billion**. Capped in the bill at \$1 billion for the 2025-26 biennium. **Program will begin in the 2026-27 school year.**
- Parents can use funds to pay tuition and approved expenses at an accredited private school or for expenses of students who are home schooled.
- **Private school** must be **accredited** and must have continuously **operated a campus** for at least **two school years** prior to participation in the program.
- Authorizes the Comptroller to certify not more than 5 educational assistance organizations to support the administration of the program in the application process and program expenditures.
 - Up to 3% of funds appropriated for the program can be used to reimburse the Comptroller for costs of administering the program.
 - Up to 5% of the amount appropriated for the program can be used to reimburse educational assistance organizations for the cost of administering the program.

Education Savings Accounts

SB 2 by Creighton (cont.)

Amount of Account

- **\$2,000** can be utilized by home school parents for expenses.
- **85%** of the estimated statewide average amount of state and local funding per student in average daily attendance for the applicable school year (**~\$10,300**) if attending private school.
- For a child with a **disability**, the amount the school district in which the child would otherwise be enrolled would be entitled to receive for the child, **up to \$30,000**.

Eligible Child

- Child is a **citizen** or national of the United States or was lawfully admitted into the United States, and
- Is **eligible to attend a public school** or is eligible to enroll in a public school pre-k program including the child of a parent who is an active duty member of the US armed forces.

Education Savings Accounts

SB 2 by Creighton (cont.)

Criteria to determine recipients by lottery if over-subscribed

1. Siblings of participating children.
2. Children who have never participated in the program.
3. Children who left the program to attend a public school or charter school.

Within each of the groups the following priority will be given:

1. Children with a **disability** who are members of a household with a total annual income at or **less than 500%** of the federal poverty guidelines (**\$160,000** for a family of 4).
2. Children who are members of a household with a total annual income at or **below 200%** of the federal poverty guidelines (**\$62,400** for a family of 4).
3. Children who are members of a household with a total annual income **between 200% and 500%** of the federal poverty guidelines.
4. Children who are members of a household with a total annual income that is **above 500%** of the federal poverty guidelines. **Capped at 20% of funds.**

Education Bills

HB 20 by Gates

Career and Technology

Directs the Commissioner of Education to establish and administer an Applied Sciences Pathway program to provide opportunities for students to **concurrently earn** a high school diploma and a certificate in one of the following 20 vocations from an institution of higher education:

- | | |
|--|--|
| (1) plumbing and pipe fitting | (11) mechanical and aerospace engineering |
| (2) electrical | (12) industrial maintenance and processes |
| (3) welding | (13) robotics and automation |
| (4) sheet metal | (14) information technology and cybersecurity |
| (5) carpentry | (15) oil and gas exploration and production |
| (6) masonry | (16) refining and chemical processes |
| (7) diesel and heavy equipment | (17) transportation distribution and logistics |
| (8) aviation maintenance | (18) manufacturing and industrial technology |
| (9) heating, ventilation, and air conditioning | (19) electronics technology or |
| (10) construction management and inspection | (20) automotive technology |

Education Bills

SB 569 by Bettencourt

Virtual Schools

- Repeals the existing State Virtual Network and adds Chapter 30B of the Education Code to permit school districts and charter schools to **create virtual and hybrid campuses and education programs** and offer virtual courses to students within and outside of the school district.
- The Commissioner of Education will develop requirements governing the program and must publish a list of available virtual courses. Applies beginning with the 2025-26 school year.

Education Bills

HB 6 by Leach

Student Discipline

- Authorizes a teacher to remove a student from class to in-school or out-of-school suspension who:
 - repeatedly interferes with the teacher's ability to communicate effectively with the class or with the ability of the student's classmates to learn,
 - is unruly, disruptive or abusive toward the teacher, another adult, or another student, or
 - engages in bullying
- Requires a single person at each campus be designated to serve as the campus behavior coordinator. The behavior coordinator will monitor disciplinary referrals and report to the campus threat assessment team:
 - terroristic threats, unlawfully carrying weapons, offenses relating to prohibited weapons, and offenses of exhibiting, using, or threatening to exhibit or use a firearm.
- Authorizes a school board to allow parental involvement in school disciplinary placements.
- A principal cannot return the student to the same class without the teacher's written consent.

Education Bills

SB 10 by King

Ten Commandments

- Requires every classroom to display a poster or framed copy of the Ten Commandments in a conspicuous place in the classroom.
- Must be at least 16 x 20 inches in size.

Education Bills

SB 12 by Creighton/Leach

Parental Bill of Rights

- Requires school districts and charter schools to provide information about parental rights to parents each school year.
- Authorizes a parent to review instructional materials and curricula.
- **Requires** a school district or charter school to:
 - notify parents of any change in mental, emotional, or physical health of their child
 - obtain a parent's written consent before providing medical care to the student
 - provide an internet portal through which parents can submit comments to employees or school board members
 - review all grievances received about a campus, the district, or an employee of the district
 - obtain the written consent of a parent before providing human sexuality instruction

Education Bills

SB 12 by Creighton/Leach (cont.)

Parental Bill of Rights

- **Prohibits** a school district or charter school from:
 - assigning diversity, equity, and inclusion duties to an employee of the district
 - providing instruction or guidance regarding sexual orientation or gender identity
 - assisting a student with social transitioning
 - authorizing or sponsoring a club based on sexual orientation or gender identity

Education Bills

HB 1481 by Fairly **Cell Phone Usage on Campus**

- A school district or charter school must adopt a policy that either:
 1. Prohibits a student from bringing a personal communication device to school, or
 2. Establishes a method to store the device while the student is on school property
- Exceptions are made if the device is necessary to implement an individualized education program, the student has a documented need based on a directive from a physician, or if the device is necessary to comply with a health or safety requirement.

Education Bill That Died in Conference Committee

HB 4 by Buckley/Bettencourt – Died in Conference Committee **Accountability**

- Repeals the current STAAR tests. Phased out over 3 years.
- Directs the State Board of Education and Texas Education Agency to develop shorter nationally norm-referenced tests that measure student achievement and learning progress in reading language arts, mathematics, and science.
- Tests will be administered at the beginning, middle, and end of the school year.

Thank you for joining us!

Questions?

The TTARA Team:

Jennifer Rabb, President

Sheryl Pace, Senior Analyst, School Finance

Carl Walker, Senior Analyst, Property Tax

Helen Brantley, Legal Analyst, State Tax & Property Tax

Ryan Ash, Legislative & Communications Director

Alexandra Bello, Director of Operations

Catherine Lapoint, Executive Assistant

Christian Brown, Director of Development

jrabb@ttara.org

space@ttara.org

cwalker@ttara.org

hbrantley@ttara.org

ryan@ttara.org

abello@ttara.org

clapoint@ttara.org

cbrown@ttara.org

(512) 472-8838